A/53/13

United Nations

Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 1997–30 June 1998

General Assembly
Official Records
Fifty-third session
Supplement No. 13 (A/53/13)

General Assembly
Official Records
Fifty-third session
Supplement No. 13 (A/53/13)

Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 1997–30 June 1998

United Nations • New York, 1998

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0082-8386

[Original: English]
[October 1998]

Contents

Chapter		Paragraphs	Page
	Abbreviations		v
	Letter of transmittal		vii
	Letter dated 28 September 1998 from the Chairman of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency		ix
I.	Introduction	1–22	1
II.	General developments in Agency programmes	23–77	7
	A. Education	23–39	7
	B. Health	40–53	13
	C. Relief and social services	54–64	17
	D. Income generation	65–72	20
	E. Peace Implementation Programme	73–75	21
	F. Lebanon Appeal	76–77	22
III.	Financial matters	78–106	23
	A. Fund structure	78–85	23
	B. Budget, income and expenditure	86–95	23
	C. Extrabudgetary activities	96–99	25
	D. Current financial situation	100–106	25
IV.	Legal matters	107–131	26
	A. Agency staff	107–119	26
	B. Agency services and premises	120–130	29
	C. Claims against Governments	131	31
V.	Jordan	132–150	31
	A. Education	132–137	31
	B. Health	138–143	31
	C. Relief and social services	144–150	32
VI.	Lebanon	151–169	33
	A. Education	151–158	33
	B. Health	159–163	34

	C. Relief and social services	164–169	35
VII.	Syrian Arab Republic	170–184	36
	A. Education	170–173	36
	B. Health	174–178	36
	C. Relief and social services	179–184	37
VIII.	West Bank	185–205	37
	A. Education	185–190	37
	B. Health	191–197	39
	C. Relief and social services	198–205	39
IX.	Gaza Strip	206–226	41
	A. Education	206–210	41
	B. Health	211–217	41
	C. Relief and social services	218–226	43

Annexes

I.	Statistical and financial information tables	45
II.	Pertinent records of the General Assembly and other United Nations bodies	58

Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ARCVI	Al-Nour Rehabilitation Centre for the Visually Impaired (Gaza)
CRC	Community rehabilitation centre
DOTS	Directly observed short-course treatment strategy
EC	European Community
EGH	European Gaza Hospital
EMLOT	Extraordinary measures for Lebanon and the occupied territory
EPA	Expanded programme of assistance
ESF	Educational Sciences Faculty
FSS	Field social study system
KTC	Kalandia training centre (West Bank)
MCH	Maternal and child health
MEC	Microenterprise credit
PA	Palestinian Authority
PIP	Peace Implementation Programme
PLO	Palestine Liberation Organization
RMTC	Ramallah men's training centre (West Bank)
RWTC	Ramallah women's training centre (West Bank)
SEMEP	UNESCO South-Eastern Mediterranean Project
SGL	Solidarity-group lending
SHC	Special hardship case
SMET	Small and microenterprise training
SSE	Small-scale enterprise
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSCO	Office of the United Nations Special Coordinator in the Occupied Territories

UNTSO	United Nations Truce Supervision Organization
URS	Unified registration system
WHO	World Health Organization
WPC	Women's programme centre
YAC	Youth activities centre

Letter of transmittal

28 September 1998

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period 1 July 1997 to 30 June 1998, in compliance with the request contained in paragraph 21 of resolution 302 (IV) of 8 December 1949 and with paragraph 8 of resolution 1315 (XIII) of 12 December 1958.

During the period covered by my report, while events in the region had a direct or indirect impact on the Palestine refugee communities, the Agency's ability to deliver services to the Palestine refugees was negatively affected by continuing financial shortfalls.

In the introduction in chapter I, I have provided a summary of developments in the context of UNRWA operations in Jordan, Lebanon, the Syrian Arab Republic, and the West Bank and Gaza Strip, emphasizing that the Agency was forced yet again to continue the imposition of austerity measures Agency-wide.

Chapter II refers to general developments in the Agency's main programmes in education, health, and relief and social services, as well as in the subprogrammes in income-generation, the Peace Implementation Programme and the Lebanon Appeal.

Chapter III covers financial matters, with reference to the structure of the various funds; budget, income and expenditure; extrabudgetary activities; and the Agency's current financial situation.

Chapter IV deals with legal matters, in particular those relating to Agency staff, services and premises, as well as the constraints affecting Agency operations in the West Bank and Gaza Strip.

Chapter V provides information on UNRWA programmes and operations in Jordan, while chapter VI deals with Lebanon, chapter VII with the Syrian Arab Republic, chapter VIII with the West Bank and chapter IX with the Gaza Strip.

Annex I provides statistical and financial information; annex II refers to pertinent records of the General Assembly and other United Nations bodies.

Following established practice, the report in draft form was distributed in advance to the 10 members of UNRWA's Advisory Commission, whose relevant comments and observations were given careful consideration. The draft report was discussed with the Commission at a meeting held at Amman on 28 September 1998. The views of the Commission are contained in a letter addressed to me from the Chairman of the Advisory Commission. A copy of the letter follows.

President of the General Assembly
United Nations
New York

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel and giving due consideration to their comments, both in the context of the situation prevailing in the West Bank and the Gaza Strip since 1967 and subsequent developments. In connection with the General Assembly's decision in 1993 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization (PLO), a representative of the PLO attended the meeting of the Commission on 28 September 1998 and a copy of the draft report was also shared with him.

(*Signed*) Peter **Hansen**
Commissioner-General
United Nations Relief and Works
Agency for Palestine Refugees
in the Near East

Letter dated 28 September 1998 from the Chairman of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular meeting on 28 September 1998, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East considered your draft annual report on the Agency's activities and operations during the period 1 July 1997 to 30 June 1998, which is to be submitted to the General Assembly at its fifty-third session.

The Advisory Commission expressed great appreciation for UNRWA's programmes of assistance for 3.5 million Palestine refugees in Jordan, Lebanon and the Syrian Arab Republic and in the Gaza Strip and the West Bank. This assistance is crucial to the well-being of the refugees through enhancement of their socio-economic conditions and contribution to stability in the region.

The Advisory Commission expressed great appreciation to the host Governments for their continuing support and services provided to the Palestine refugees.

The Commission confirmed its support for the Middle East peace process but noted with concern the lack of progress experienced in the preceding year, which directly and indirectly affected Palestine refugee communities in UNRWA's area of operations. The Commission expressed the hope that implementation of various agreements effected as part of the peace process would resume soon, and that progress would be achieved in the resolution of issues slated for final status negotiations, including the refugee issue, in accordance with relevant United Nations resolutions.

The Advisory Commission voiced concern over the Agency's financial situation, noting that once again UNRWA faced in 1998 the predicament that additional donor contributions would enable it to cover its core deficit only, leaving austerity measures originally introduced on a temporary basis still in place and the Agency's working capital depleted. However, the Commission was relieved to note that unlike in each of the two preceding years, an extraordinary meeting on the Agency's financial situation had not been necessary.

The Commission was concerned at the extremely negative short- and long-term effect of the shortfall between resources and needs on the well-being of Palestine refugees. It agreed that the partnership approach, drawing together the host authorities, the donors and UNRWA, should continue to be actively pursued to enable the Agency to regain a viable financial footing and ensure the continuation of its activities, taking into consideration the crucial importance of UNRWA. The Advisory Commission stands ready to further strengthen its collaboration with you.

The Commission appealed to the entire international community to share in making this partnership possible, and requested the prompt payment of pledges and other funds to UNRWA.

The Commission expressed appreciation for the Spring 1998 visit of the Secretary-General to the region, for his constant support for the Palestine refugees and for UNRWA, and for his personal appeal to world leaders for increased contributions to the Agency.

The Advisory Commission noted with appreciation the internal restructuring and reforms which you initiated in 1996. The Commission encouraged UNRWA to expedite its financial and administrative reform measures, and welcomed the offers of technical assistance in key management areas from certain donors, which it believed would enhance

and speed the reform process. It also felt that if UNRWA could develop systems which demonstrate that they are making the best use of available resources, this would in turn create a more compelling case for donors to give more.

The Commission welcomed the initiative of the Commissioner-General to investigate the recent allegations of corruption in the Lebanon field by the United Nations Office of Internal Oversight Services. The Commission looks forward to receiving a full report of this investigation in a timely manner.

The Commission expressed concern over the continuing deterioration in the living conditions of Palestine refugees in all the fields of UNRWA operations, and hoped that additional contributions to UNRWA would ease the situation. In particular, the Commission appealed to the international community to back with contributions their political support for Palestine refugees for the stability of the region and the peace process.

Difficulties experienced by the Agency as a result of constraints imposed by Israeli authorities in the occupied territories, in particular those affecting the movement of staff, were a matter of great concern to the Commission, especially since this often resulted in interruption of services, as well as higher operational costs, at a time when the Agency could ill afford it. The Commission reiterated its call upon the Israeli authorities to do their part to ensure that Agency operations proceed unhampered.

In considering the period under review, the Commission strongly commended the dedication and untiring efforts of UNRWA's international and local staff, who have carried out their work under difficult circumstances, and expressed its full support for your continued leadership and the vital and essential role of UNRWA both in the current circumstances and until a just and comprehensive solution for the refugee problem is reached and implemented.

(*Signed*) Robin **Kealy**
Chairman of the Advisory Commission

Chapter I
Introduction

1. The work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) during the period 1 July 1997–30 June 1998 continued to emphasize basic services for Palestine refugees and contributing to improving socio-economic conditions in refugee communities. Living standards in refugee communities remained poor throughout the area of operations, and were characterized in some fields by high unemployment, falling household income, overburdened infrastructure, and restrictions on employment and mobility. The Agency's operating environment was marked by the lack of progress in the Middle East peace process, which contributed to high levels of tension in the region and frustration and despair among the refugee community. In view of unabated financial difficulties, the Agency was forced to introduce further austerity and cost reduction measures that affected the quality and level of services, provoking an outcry from the affected refugees until additional resources could be obtained. However, tangible progress was achieved in combating the ongoing deficit problem through new approaches to traditional programme activities, while the reform effort initiated in the previous reporting period continued to produce results in enhancing organizational efficiency and effectiveness.

2. Through its regular programmes, UNRWA continued to provide education, health care, relief assistance and social services to the 3.5 million Palestine refugees registered with the Agency in Jordan, Lebanon, the Syrian Arab Republic, and the West Bank and Gaza Strip. Agency services included elementary and preparatory schooling; vocational and technical training; comprehensive primary health care, including family health; assistance towards hospitalization; environmental health services in refugee camps; relief assistance to particularly needy households; and developmental social services for women, youth and persons with disabilities. Those services were for the most part provided directly to beneficiaries by the Agency, parallel to the public sector services provided by local authorities to their constituents. In addition, the Agency operated an income-generation programme which gave loans to micro- and small enterprises, and carried out a wide range of infrastructure projects and other activities under its Peace Implementation Programme (PIP) and the newly-initiated Lebanon Appeal. Where appropriate and feasible, refugees participated in the cost of Agency services by means of voluntary contributions, co-payments, self-help schemes, volunteer efforts, and participation fees. UNRWA was the largest United Nations operation in the Middle East, employing some 22,000 persons and operating or supporting some 900 facilities.

3. The critical financial situation facing UNRWA and its implications for the services provided to Palestine refugees continued to dominate the Agency's agenda during the reporting period. There remained a wide gap between the level of expenditure contained in the needs-based budget approved by the General Assembly and the actual level of income received by the Agency, necessitating the continuation of all austerity and other cost-reduction measures imposed in previous years. The prospect of financial insolvency necessitated the imposition of yet another round of such measures in late 1997, which had a direct negative impact on services (see below). Concurrently and for the second consecutive year, the Agency was obliged to make an extraordinary appeal for additional contributions to complete the year without a disruption in services, which was successful thanks to the generous support of donors. Even with that additional support and the measures taken, the Agency only narrowly averted insolvency during the fiscal year 1997, ending the year with the fifth consecutive year-end deficit in its approved budget, as well as depleted cash and working capital reserves. The Agency's finances are discussed in greater detail in chapter III of the present report.

4. The financial difficulties described in this and preceding reports provided the context for the most important development in UNRWA's activities during the reporting period, namely the controversy surrounding the cutbacks in services announced as part of the round of austerity and cost reduction measures introduced in August 1997. Despite the steps taken in recent years to reconcile expenditure with income, at mid-1997 the Agency still faced a budget deficit of $70 million for the year, representing the funding shortfall against the $312 million General Assembly-approved cash budget. More importantly, the gap between estimated income and minimum expenditure on basic needs stood at $20 million. The seriousness of the situation was such that had no further action been taken, the Agency would have run out of funds completely in the last quarter of 1997 and been forced to suspend operations until fresh contributions were received. To avert that outcome, there was no alternative but to introduce yet another round of austerity and cost reduction measures. Those measures comprised: introduction of a temporary general recruitment freeze; a 15 per cent reduction in international posts; freezing of regular budget allocations for shelter rehabilitation, emergency cash assistance and university scholarships; cancellation of non-emergency hospitalization

services in the last two months of 1997, except for special hardship cases; and introduction of school charges at rates comparable to those levied by host authorities. In contrast to previous expenditure reduction exercises, which indirectly affected programme activities, the measures announced in August 1997 would have affected certain basic services that the Agency had long provided to Palestine refugees as an integral part of its regular programme. Those measures were introduced of necessity after a series of warnings and alerts beginning at the end of 1996 to the international community, donors, the host authorities and the public at large that the deficit had widened to such an extent that further action was unavoidable.

5. The announcement of those measures elicited swift and strong opposition from the Palestine refugee community and host authorities. Numerous appeals on the subject were issued by a range of refugee and non-refugee groups, statements were made by high-ranking public officials and wide coverage was received in the local and international media. Protests were held at UNRWA offices throughout the area of operations, accompanied by a temporary boycott of Agency schools in the Gaza Strip. While a wide variety of views was expressed, certain common themes could be discerned. First, the measures were seen as an abandonment of the international community's traditional humanitarian responsibilities vis-à-vis the Palestine refugees as a result of fewer funds and a resultant reduction in the level of services, which placed additional burdens upon already needy refugee families. Particular attention was focused on the announced introduction of school charges, which in certain fields would have been difficult to afford for many refugee families who already faced declining household incomes and viewed education of their children as the key to a better future. Second, the measures were interpreted as having broader political implications, namely as being part of a supposed process of phasing out UNRWA prior to a resolution of the Palestine refugee issue. The view was frequently expressed that the measures were part of a conspiracy undertaken by the Agency in concert with donors. UNRWA and the international community were called upon to find ways to rescind the measures and to overcome the financial crisis so that the Agency could continue to provide services.

6. While not denying that any reduction in services would obviously be a negative development, UNRWA sought to clarify that the measures announced were necessitated by insufficient funds, that with the support of the international community the Agency remained committed to serving the Palestine refugees for the duration of its existence, and that all efforts were being made to secure the necessary resources and maintain essential services. To that end, the Agency issued a general appeal for additional funding to overcome the projected funding shortfall, and convened an extraordinary meeting on 9 September 1997 at Amman to discuss the issue with donors and host authorities. Strong international support for UNRWA was evidenced by the generous and rapid response of donors, who provided additional contributions of $21 million for the Agency's regular programmes in 1997, while reaffirming the continued importance of UNRWA's work. With the additional funding, the Agency was able to revoke the measures which had provoked the strongest opposition, namely those relating to hospitalization and school charges, after which the controversy surrounding the matter subsided. However, owing to continuing financial difficulties, all other measures had to be retained and subsequently carried forward into 1998.

7. The steps taken by UNRWA in August 1997 and the reaction thereto reflected the culmination of longer-term trends. One such trend was the gradual erosion of the Agency's financial position to the point where basic programme activities could not be spared any expenditure reduction measures required to keep the Agency solvent and functioning. As the Agency had repeatedly explained, the cost of providing a given level of services gradually increased over time owing to several fundamental characteristics of the Agency's operations and working environment: the public-sector nature of UNRWA services, which were made available to all those who met eligibility criteria; the steady increase in the number of beneficiaries owing to natural growth in the refugee population; and cost increases arising from inflation and price rises for goods and services. Since 1991, growth in funding had not kept pace with the increase in the overall volume of the Agency's needs-based regular budget, necessitating the introduction of successive rounds of austerity and other cost reduction measures since 1993 to close the gap between budgeted expenditure and actual income. As the funding gap continued to widen, those measures had to be carried forward from year to year, and new ones imposed. Concurrently, repeated deficits depleted the Agency's working capital reserves, severely limiting its ability to withstand significant funding shortfalls except through further reductions in expenditure. While expenditure reductions were initially geared towards lower-priority areas that did not have a direct impact on services rendered to refugees – although there was a significant indirect effect on the quality and level of services – incremental reductions in expenditure could be taken only so far before steps that involved more substantial adjustments to programme activities became unavoidable. Unfortunately, that threshold was reached in August 1997.

8. A second contributing factor was the growing concern within the region in general and among the refugee community in particular that UNRWA might be phased out before a solution to the Palestine refugee issue was achieved. That concern had begun to manifest itself following the signing of the Israeli-Palestinian Declaration of Principles on Interim Self-Government Arrangements in September 1993, which had foreseen, *inter alia*, the eventual resolution of the long-standing refugee issue and hence, by implication, an end to the Agency's mission. Anxiety over the Agency's future was reinforced by the views expressed by some parties that UNRWA should hand over its operations following the signing of the Declaration of Principles, and by the perception of many refugees – particularly those outside the Palestinian self-rule areas – that they were being excluded from the full benefits of the peace process. That anxiety was manifested in close scrutiny of the Agency's activities and staunch opposition to any perceived changes in UNRWA programmes that could be interpreted as a first step in closing down the Agency. Moreover, despite the setbacks in the peace process, the refugee community was becoming more active and more organized, both inside and outside refugee camps. In that context, it was not surprising that the August 1997 measures were viewed in political terms as a step towards the premature phasing out of UNRWA and a pre-emption of the final status negotiations on the refugee issue. Public reaction to the measures indicated the extent to which UNRWA was seen as a barometer of the international community's commitment to the Palestine refugees, the peace process and an eventual resolution of the refugee issue. It was also the case that a substantial reduction in Agency services would add to the heavy responsibilities already shouldered by the host authorities, in some cases for decades, vis-à-vis the Palestine refugees on their soil. The host authorities – the Governments of Jordan, Lebanon, and the Syrian Arab Republic, and the Palestinian Authority/Palestine Liberation Organization – consequently felt strongly that UNRWA should continue to provide services at traditional levels until the refugee issue had been resolved. The Palestinian Authority, for its part, affirmed that it viewed itself as a host authority, and there were no indications that that position would change prior to resolution of the refugee issue.

9. While the controversy surrounding the August 1997 measures was the most intense manifestation of the concern over UNRWA's future, it was not unique in that regard. Throughout the reporting period, accusations were voiced in the local media and other forums – particularly in Lebanon – that UNRWA was in the process of being phased out as a prelude to liquidation of the refugee issue, and that the Agency did not have the refugees' best interests at heart. There were also incidents in which actions taken by the Agency on technical or administrative grounds were given political interpretations. For example, in December 1997 the Agency decided not to renew the contracts of 49 technical and other staff in the Gaza Strip who had been hired on temporary contracts to work on project activities that had since been completed. In an effort to resist that step, efforts were made to politicize the issue by characterizing the Agency's action as yet another reduction in services and step towards premature liquidation. Likewise, in March 1998 the Agency adjusted the co-payment rate at Qalqilia hospital in the West Bank to make it consistent with the 25 per cent co-payment rate introduced earlier at all contracted hospitals Agency-wide. That step led to similar public accusations and efforts to resist implementation of the decision for several months before a constructive dialogue could be initiated to resolve the matter with the cooperation of the Palestinian Authority. Those examples, as well as the repercussions of the August 1997 measures, illustrated the highly charged political climate in which UNRWA operated, in which the operational task of providing basic services to designated beneficiaries was intertwined with the continuing lack of resolution to the Palestine refugee issue.

10. Apart from the August 1997 measures, UNRWA's financial difficulties continued to have a negative effect on the quality and level of services provided to beneficiaries. In general, funding shortfalls impacted on programmes in three different ways: by preventing Agency programmes from expanding at a rate commensurate with growth in the refugee population and rising needs; by necessitating curtailment of ongoing programme activities; and by precluding certain actions that would normally be part of the Agency's regular programme activities. For example, restrictions on hiring led to increased classroom sizes in Agency schools, rising patient to staff ratios for doctors and other health professionals, and higher case-loads for social workers dealing with impoverished refugees. The freeze in regular budget allocations for university scholarships, shelter rehabilitation and selective cash assistance not only reduced the Agency's activities in those areas but made them entirely dependent on extrabudgetary contributions. The cut in the allocation for maintenance of facilities led to the deterioration of the Agency's extensive physical assets, while the cut in the allocation for temporary assistance made it more difficult to replace teachers and health staff absent as a result of sickness, maternity leave, etc. The reduction in the hospitalization allocation meant that not all patients who required hospital care would be able to receive it, while the reduction in the medical supplies allocation increased the likelihood of drug shortages. The Agency remained unable to introduce the tenth school year in the West Bank and Gaza

Strip in accordance with the Palestinian Authority curriculum, nor could it introduce additional vocational training courses or pursue upgrading of its computer systems. No reserves were available for salary increases for area staff or to meet emergency or unforeseen needs in the area of operations. The provision for termination indemnities payable to area staff upon the eventual dissolution of UNRWA remained unfunded, even though the indemnities represented a contingent liability on the Agency. The net result of all those measures was that the Agency was functioning below its usual operating level: it did not have sufficient funds to maintain the same quality and level of services to a growing number of beneficiaries; its human, physical and financial resources were being spread ever more thinly across the beneficiary population; and it was not operating on a sustainable basis, in the sense that certain activities that had to be curtailed (e.g., maintenance, training) would entail longer-term costs. The effects of the continuing financial constraints on Agency programmes are discussed in greater detail in chapter II of the present report.

11. However, the financial crisis also provided a powerful impetus to UNRWA to rethink its methods of operation with a view to finding means to fulfill its programme goals in a more sustainable and cost-effective manner. In recent years, the Agency had introduced initiatives to increase income by broadening the donor base and developing a corporate outreach programme, and those efforts were meeting with modest success. At the same time, the Agency was examining new ways of conducting its affairs so as to produce greater value-for-money while maintaining the quality and level of services. Significant progress towards that goal was achieved during the reporting period. In response to the continuing financial crisis and to meet the objective of a smaller, more tightly focused headquarters, the number of international staff was reduced by 24 per cent Agency-wide between April 1997 and May 1998 through integration of functions and localization of posts. The reduction, part of which came about as a result of the departure of international staff hired on one-year contracts to facilitate the headquarters move, would generate a staff cost savings of approximately $4 million per annum. The Agency also adopted an integrated approach to improving delivery in the context of continuing financial constraints in the basic education programme – the service area which accounted for the largest share of UNRWA's recurrent expenditure, and to which the refugees attached the greatest value for the future of their children. Aimed at protecting the quality and level of basic education services, the approach emphasized reliance on the use of contract teachers to meet the need for additional teachers so as to maintain access of Palestine refugee pupils to UNRWA schools despite financial constraints; reinforcing the policy of double shifting in Agency schools as a cost-effective means to avoid triple-shifting and maintain access; and according priority to the replacement of rented schools with Agency-built premises to improve the quality of education while reducing costs. Those issues are discussed in greater detail in chapter II of the present report. In addition, the Agency offered a discussion of prioritization of its activities at the informal meeting held on 28 May 1998, in the context of the partnership approach that the Agency had been advocating.

12. Moreover, the reform process initiated in the previous reporting period began to show tangible results. The vision underlying the reform effort was of a more dynamic and efficient organization able to make best use of available financial and human resources to maximize the benefits of its humanitarian assistance to Palestine refugees. Progress was made in four specific areas. First, a policy analysis unit was established in mid-1998 to conduct research and analysis that would contribute to enhancing strategic planning capabilities and the efficiency and effectiveness of Agency programmes. Second, the Agency identified four reform-related objectives in which external technical expertise could be of value: implementing finance system reform, improving education planning mechanisms, reviewing eligibility criteria for the special hardship programme and transferring the Agency's payroll system from Vienna to the area of operations. Proposals for technical assistance in those areas were put to donors in February and March 1998, and positive responses to the first two proposals were received by the close of the reporting period. Third, a pragmatic approach to business process reform was being pursued that emphasized targeted improvements in existing business process systems in the framework of enhanced system integration and greater decentralization. That approach was adopted after the Agency was unable to proceed with the overhaul of its information systems recommended by external consultants in the previous reporting period, owing to the prohibitive cost and scale of the project and the absence of a convincing implementation plan. Fourth, concrete steps were taken to increase transparency by introducing quarterly financial reports, beginning in early 1998, and holding regular meetings and briefings with local donor and host authority representatives. The Agency remained committed to further measures to improve performance, cost-effectiveness and transparency, although progress in the reform effort was hampered by high staff turnover, lack of funds and problems relating to the headquarters location and environment.

13. Mid-1998 marked the second anniversary of the completion of the relocation of UNRWA headquarters from

Vienna to Gaza in July 1996. While the return of Agency headquarters to the area of operations conferred many advantages, the drawbacks faced at the principal headquarters location at Gaza, referred to in the preceding report, continued to pose problems during the period under review. In many instances, the Agency remained unable to identify qualified local staff to fill vacancies at the salaries it was able to offer, while conditions of service at Gaza made it more difficult to attract and retain international staff. The lack of proximity to diplomatic missions, the problems arising from local infrastructure and the restrictions on movement arising from Israeli security-related constraints were not conducive to the effective functioning of a headquarters operation. While the Agency continued to strive to overcome those challenges to the extent possible, it was becoming increasingly clear that certain difficulties were inherent and would remain for the foreseeable future.

14. UNRWA's humanitarian work was carried out against the backdrop of the continuing impasse in the various tracks of the peace process, despite intensive diplomatic initiatives focused on the Israeli-Palestinian track. By the end of June 1998, further redeployments in the West Bank were still awaited and there had been little progress on other interim issues called for in the agreements between the parties, which would have implications for the situation on the ground in the occupied territory. Moreover, the permanent status negotiations, which were to include the issue of refugees, had not yet commenced in substance in accordance with the agreed timetable. The security situation remained tense, with sporadic clashes and protests in the West Bank and Gaza Strip, and occasional acts of violence leading to fatalities. The fatal shooting of Palestinian workers at Tarqumiya checkpoint on 10 March 1998 and the marches organized by Palestinians in May 1998 to commemorate the fiftieth anniversary of the refugee issue were the occasions for particularly intense clashes with Israeli forces. Daily life in the occupied West Bank and Gaza Strip continued to be affected by measures imposed by the Israeli authorities, citing security grounds, whose impact on Agency operations is discussed in greater detail in chapter IV of the present report. Two suicide bombings in Jerusalem, on 30 July and 4 September 1997, which resulted in Israeli fatalities, were followed by lengthy closures of the West Bank and Gaza Strip and the imposition of an internal closure in the West Bank. The possibility of military conflict in the Gulf region heightened tensions in early 1998, prompting UNRWA to review its preparedness in dealing with a possible influx of refugees into its area of operations.

15. UNRWA continued to cooperate with the Governments of Jordan, Lebanon and the Syrian Arab Republic and with the Palestinian Authority in providing services to Palestine refugees throughout the area of operations, a subject covered in greater detail in chapter II of the present report. While confronting their own socio-economic problems, the host authorities provided direct assistance to refugees, which in some cases exceeded in value the assistance provided by UNRWA. The Agency was particularly grateful for the continued strong support of the host authorities and their active efforts during the reporting period to help overcome the Agency's financial crisis. Similar efforts were made by the League of Arab States, which reiterated its strong support for the continuation of UNRWA's humanitarian services and renewed its appeals for increased contributions to the Agency, including by its member States. Although the deterioration in conditions was not conductive to continued progress in harmonization of services in the West Bank and Gaza Strip, the Palestinian Authority continued to support and facilitate UNRWA work in the self-rule areas. With strengthened cooperation between the Palestinian Authority, donors and the Agency, substantial progress was achieved in the European Gaza Hospital (EGH) project (see para. 214). The Agency also appreciated the Palestinian Authority's ongoing efforts to preserve the integrity of the Agency's headquarters and field operations and respect its privileges and immunities as a United Nations body, notwithstanding the continuing concerns over problems relating to Palestinian Authority capacity-building, including establishment of the rule of law and development of accountable administrative structures. However, there was no real progress with regard to reimbursement by the Palestinian Authority of payments made by UNRWA against value-added tax and port and related charges, which had a cumulative value of $19 million at the close of the reporting period.

16. The situation in the West Bank remained tense during the reporting period, characterized by continuing unrest and the sustained imposition of security-related measures. There were intermittent clashes between Palestinian demonstrators and Israeli forces, particularly at Hebron, and a number of attacks by Palestinians on Israeli targets. Heightened tension between Israeli settlers and Palestinian civilians at times resulted in clashes and fatalities. Citing security concerns, the Israeli authorities continued to impose curfews and closures in various West Bank localities, particularly in autumn 1997, although to a lesser degree than in the previous reporting period. Israeli settlement activity continued, including expansion of settlements through new construction, extension of boundaries and construction of roads. Demolition of houses for lack of building permits or for security reasons continued to be carried out by the Israeli authorities. Arrest campaigns were conducted by the

Palestinian and Israeli authorities, including an operation by the latter at Shu'fat refugee camp in mid-1998. Hundreds of Palestinians, including many refugees, were reportedly held in detention on grounds of security. The West Bank remained divided into non-contiguous separate zones, with area A under full Palestinian control, area B under Palestinian civil control but Israeli security control, and area C under full Israeli control, except for civil responsibilities not related to territory. The ongoing closures negatively affected socio-economic conditions, hindering economic activity in particular by preventing Palestinian labourers from working in Israel. UNRWA's 1998 regular programme budget for the West Bank field was $54.1 million.

17. Socio-economic conditions continued to deteriorate in the Gaza Strip, the smallest and most densely populated of UNRWA's five fields of operation. Poor economic conditions, including reduced purchasing power and high unemployment, were exacerbated by the continued closure of the Gaza Strip, which had a particularly negative effect owing to heavy reliance on employment of workers in Israel and on import and export of raw materials and finished goods. Closures and other security-related measures imposed by the Israeli authorities also continued to disrupt Agency operations, though to a lesser degree than in the previous reporting period. Although the security situation was generally more stable than in the West Bank during the reporting period, tension remained high, with continuing friction between Israeli settlers and Palestinian civilians occasionally erupting into violence. Arrest campaigns were conducted by the Palestinian authorities, and hundreds of Palestinians, including many refugees, were reportedly held in detention on security grounds. With registered refugees accounting for three quarters of the population, the highest proportion of any field, UNRWA played a preponderant role in providing services in the Gaza Strip. The Agency's 1998 regular programme budget for the Gaza field was $98.8 million.

18. The refugee population in Jordan, the largest of any field, enjoyed full access to government services on the basis of citizenship, and benefited from government and international efforts to improve socio-economic conditions. During the reporting period, several hundred shelters at Jabal el-Hussein camp were demolished in connection with a highway project and the inhabitants compensated in accordance with Jordanian law. UNRWA followed the matter closely in coordination with the Government; no Agency installations were affected. UNRWA maintained an excellent relationship with the Government of Jordan, characterized by close cooperation in many areas and active government support for Agency activities. That cooperation was manifested in the success of the newly constructed Waqqas community compound, which brought together a variety of Agency services under one roof. The Government reported expenditures on behalf of Palestine refugees and displaced persons of $353.2 million during the reporting period, mainly on education, rent and utilities, subsidies and rations, camp services, health care, public security and social services. The Agency's 1998 regular programme budget for the Jordan field was $73.8 million.

19. The Palestine refugee population in Lebanon continued to suffer from extremely poor living and housing conditions, unemployment rates on the order of 40 per cent, reduced purchasing power, and restrictions on mobility and in many sectors of economic activity. UNRWA remained the main provider of education, health, and relief and social services to Palestine refugees in Lebanon, who had rather limited access to public education, and whose access to public health services, including hospitalization, was restricted by a public health infrastructure that was still developing. The generous response of donors to the Lebanon Appeal, launched in July 1997, provided much-needed support to the Agency's efforts to respond to the dire conditions facing Palestine refugees in that field. The authorities continued to prohibit construction in certain refugee camps, and in certain other camps entry of construction materials and construction was subject to military permission. The security situation in Lebanon during the reporting period remained affected by the ongoing situation in south Lebanon and occasional incidents elsewhere in the country, although Agency operations were not disrupted. The Agency maintained a constructive relationship with the Government of Lebanon, which reported expenditures on behalf of Palestine refugees of $4.8 million during the reporting period on education, administration and housing, with additional expenditures on other items. The Agency's 1998 regular programme budget for the Lebanon field was $45.3 million.

20. UNRWA continued to cooperate closely with the Government of the Syrian Arab Republic during the reporting period in providing services to refugees. Constructive discussions continued between the Agency and the Syrian authorities with a view to resolving outstanding issues relating to the exchange rate accorded to the Agency in 1996. The Government reported expenditures on behalf of Palestine refugees of $43.8 million during the reporting period for education, social services, health care, housing and utilities, security, supply costs, administration and other items. The Agency's 1998 regular programme budget for the Syria field was $23.3 million.

21. UNRWA maintained close cooperation with a number of United Nations agencies, including the Joint United

Nations Programme on HIV/AIDS (UNAIDS), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO). Agency programmes also benefited from cooperation and coordination with local and international non-governmental organizations in the five fields of operation. The Agency maintained contacts with the United Nations Truce Supervision Organization (UNTSO) in connection with the Commissioner-General's capacity as the United Nations Designated Official responsible for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip. UNRWA also continued to take part in the multilateral aid coordination initiatives for the West Bank and Gaza Strip facilitated by the Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO). The United Nations Secretary-General made an unprecedented visit to the Gaza Strip during a visit to the area of operations in early 1998.

22. As the interim period set out in the Declaration of Principles drew to a close, the prospect of an agreed solution to the refugee issue appeared remote and the future course of the Middle East peace process uncertain. The Palestine refugees, who marked five decades of exile in 1998, continued to face declining standards of living and an increasingly tense regional environment, and still relied on UNRWA to meet fundamental needs – education for children and young people, basic health care, support for the disadvantaged and opportunities for self-betterment. In that context, it was regrettable that the humanitarian work of UNRWA continued to be overshadowed by concern over the Agency's finances and its future. The Agency's ongoing financial crisis was jeopardizing its efforts to alleviate the refugees' plight and exacerbating the sense of anxiety that refugees felt over their own future. At the same time, the rationale for the support of UNRWA as a safety net for a vulnerable population and as an element of stability in a turbulent region was as valid as ever. With the support of the international community, UNRWA would continue to devote vigorous efforts to placing its activities on a more solid financial footing, a goal that it believed could best be achieved through a joint approach, with shared responsibility among all the stakeholders involved in the care of the Palestine refugees. With the refugees passing through a critical moment in their history, it was unquestionable that the humanitarian role of UNRWA would remain essential for the foreseeable future.

Chapter II
General developments in Agency programmes

A. Education

23. *Elementary and preparatory schooling.* The 649 UNRWA schools in the Agency's five fields of operation had a total enrolment of 447,268 pupils in the 1997/1998 school year, mainly in the elementary and preparatory cycles but also including 649 students at the two Agency secondary schools in Lebanon (see annex I, table 4 and para. 152). Total enrolment increased by 2.5 per cent, or 11,099 pupils, over the 1996/1997 school year. However, growth in enrolment was unevenly distributed, with rapid growth in the Gaza Strip (7.2 per cent), moderate growth in the West Bank and Lebanon (4.4 per cent and 3 per cent respectively), zero growth in the Syrian Arab Republic (0.1 per cent increase) and negative growth in Jordan (1.7 per cent decrease). While natural growth in the refugee population was the principal cause of the overall increase, other sometimes countervailing tendencies were also at work, including movement of Palestinian families within the area of operations, particularly from Jordan to the Gaza Strip and West Bank; the transfer of refugee pupils from Agency schools to government schools (Jordan); and the transfer of refugee pupils from tuition-based private schools to Agency schools (Lebanon). The Jordan and Gaza fields each accounted for roughly one third of total Agency-wide enrolment, with the other three fields together accounting for the remaining third. With female pupils representing 49.9 per cent of total enrolment, UNRWA's school system maintained full gender equality, a milestone first reached in the 1960s. Under long-standing exchange agreements with host authorities to provide schooling for pupils in remote areas, 186,290 refugee pupils were reportedly enrolled at government and private schools at the elementary and preparatory levels, while 39,942 non-refugee pupils attended UNRWA schools. Some 66,728 refugee students were also studying at government and private secondary schools within the area of operations. UNRWA's basic education programme, which covered obligatory schooling requirements in each field of operation, consisted of an elementary cycle of six years and a preparatory cycle of three or four years, depending on local norms. A three-year secondary cycle was offered at the two Agency secondary schools in Lebanon.

24. *Contract teachers.* Steadily rising enrolment at UNRWA elementary and preparatory schools owing to natural population growth and other factors was a permanent

feature of the Agency's operating environment, which increased the number of teachers required at Agency schools from year to year. In the Gaza Strip, where there had been a sharp upturn in enrolment since 1994 because of population growth and an influx of refugee families, financial constraints had obliged the Agency to resort to hiring teachers on contract basis at rates of pay lower than those of equivalent Agency posts. That practice had to be maintained in the 1997/1998 school year, owing to further deterioration in the Agency's financial position. Moreover, following the introduction of a general recruitment freeze in August 1997 (see para. 4), use of contract teachers was extended to the West Bank field, while the Jordan, Lebanon and Syria fields hired additional teachers on daily-paid basis. Although the original intent had been to convert contract teachers to regular Agency staff when commensurate additional funds became available, such funds had not been forthcoming, and in view of the Agency's prolonged financial crisis it was increasingly evident that they would not be for the foreseeable future. At the same time, if the Agency were unable to hire enough teachers to accommodate rising enrolment in its already overcrowded education system, it would have no alternative but to turn away Palestine refugee pupils from its schools. Such a move would be detrimental to the refugee population, generate potentially destabilizing repercussion in the region, and represent a substantial and unprecedented departure from UNRWA's established role since 1950. In the light of those factors, the Agency would continue to rely on contract teachers to meet its requirements for additional teachers so as to maintain access of Palestine refugee pupils to UNRWA schools despite continuing financial constraints. With a view to reducing turnover and maintaining the quality of education, the Agency would concurrently explore means to improve those teachers' terms of employment and offer them in-service training. Maintaining the quality of education was a matter of particular concern since difficulties were encountered in hiring qualified teachers on the contractual and daily-paid terms that were offered, with a preliminary study in the Jordan field indicating that use of daily-paid teachers negatively affected pupils' performance. The policy would be implemented first in the Gaza Strip and West Bank, where the situation was most pressing. In the 1997/1998 school year, there were 592 contract teachers in the Gaza field (representing 15.2 per cent of the field's teaching force); 138 contract teachers and 28 daily-paid teachers in the West Bank field (10.3 per cent); and 248 daily-paid teachers in the Jordan, Lebanon and Syria fields combined (3.5 per cent).

25. *Double shifting.* Faced with continual increases in the number of school entrants and limited possibilities for constructing additional school premises owing to insufficient funds or sites, UNRWA had in the past resorted to accommodating the steady growth in school enrolment by housing two separate administrative schools in a single building, working on morning and afternoon shifts. Although the Agency had hoped to reduce the rate of double shifting with a view to further improving the quality of education, levels of funding were not keeping pace with continued enrolment growth. Despite the expanded programme of school construction implemented under PIP since 1993, there was no significant improvement in the rate of double shifting between the 1992/1993 school year (75 per cent) and the 1997/1998 school year (74 per cent). To the contrary, the Agency's efforts were increasingly focused on avoiding triple shifting, which was considered highly undesirable since it significantly reduced teaching time, precluded pupils from enjoying extracurricular activities and increased maintenance costs. As long as funding for school construction continued to lag behind growth in the pupil population, the Agency would face mounting pressure to resort to triple shifting in the years ahead. In that context, the Agency adopted a forward-looking approach that emphasized reinforcing a policy of double shifting in UNRWA schools as a means to avoid triple shifting and maintain access of Palestine refugee pupils to the Agency's education system in the face of continuing financial constraints. That approach would help to safeguard the quality of education and provide a firm basis for planning and the cost-effective use of limited resources, while remaining consistent with the practice of host authority education systems, which also utilized double shifting to varying degrees. The Agency would continue to operate schools on single shift basis to the extent possible.

26. *Rented school premises.* Where the Agency's own education infrastructure was unable to accommodate the school population and lack of funds or sites prevented construction of new schools, UNRWA remained obliged to house some of its schools in rented premises, mostly outside refugee camps. Not having been designed as schools, rented premises generally lacked adequate classroom space, proper lighting and ventilation, and such facilities as laboratories, libraries, computer rooms and playgrounds. The relatively small size of rooms not only resulted in cramped conditions for pupils and teachers that were not conducive to learning but also increased costs by limiting the number of pupils that could be accommodated in each classroom. In the 1997/1998 school year, the classroom occupancy rate at rented schools averaged 31.4 pupils, compared to 45.6 pupils at Agency-built schools. Replacement of rented premises with schools built according to Agency specifications would reduce running costs per pupil since more pupils could be

accommodated with the same number of teachers and administrative staff. Consequently, UNRWA established the objective of replacing all rented school premises currently in use with Agency-built schools, subject to availability of project funding and suitable plots of land, as a means to accommodate rising enrolment and improve the quality of education while reducing recurrent costs. Progress had already been made under PIP, through which the Agency had managed to reduce the number of rented premises from 94 in the 1993/1994 school year to 77 in 1997/1998, an 18 per cent drop. Those 77 rented premises housed 105 schools, with the Lebanon and West Bank fields having the largest proportion of such schools. The Agency would continue to seek project funding for other priority needs in the education sector, such as construction of additional schools to accommodate rising enrolment, particularly in the Gaza Strip, or replacement of dilapidated premises.

27. *Education infrastructure.* UNRWA's education infrastructure remained in need of major improvements to continue to accommodate new school entrants and provide a satisfactory learning environment. Despite the significant results achieved under PIP, the capacity of the Agency's education system was not expanding at a rate commensurate with enrolment growth. Between the 1993/1994 and 1997/1998 school years, the number of school buildings increased by 1.2 per cent and the number of schools by 1.4 per cent, while total enrolment increased by 12.2 per cent. The excess increase in enrolment was accommodated by expanding classroom sizes, building or renting additional classrooms, and converting schools from single to double shift. Moreover, many Agency schools, especially those constructed in the 1950s or 1960s, had become dilapidated beyond the point of economical repair and were in need of replacement, a trend exacerbated by heavy use of school premises and lack of sufficient funds for proper maintenance. Dilapidated schools were of particular concern in Jordan (see para. 133) and the Gaza Strip. Other schools required comprehensive maintenance or upgrading to extend their lifespan. Overcrowding within the Agency's education system continued, owing to limited resources to hire teachers or build new schools and classrooms. The average classroom occupancy rate Agency-wide was 43.6 pupils in the 1997/1998 school year, the fifth consecutive increase. The rate was highest in the Gaza Strip (49.6), which continued to experience large increases in enrolment, and lowest in the West Bank (37.8) because of the high proportion of rented premises.

28. *Infrastructure development.* UNRWA sought to address the shortcomings in its education infrastructure by obtaining project funding, particularly under PIP, for the improvement and expansion of its education infrastructure. During the reporting period, the Agency completed construction of 10 school buildings to expand capacity or replace unsatisfactory rented premises or dilapidated structures; 76 additional classrooms to avoid triple shifting and replace unsafe classrooms; and six specialized rooms, such as libraries, science laboratories, computer rooms, vocational education rooms or multi-purpose rooms, for school premises that lacked those facilities. In addition, 11 schools were comprehensively upgraded, 11 toilet blocks built and three water reservoirs constructed. Another five schools, 12 classrooms, two specialized rooms and four toilet blocks were under construction at mid-1998. Several workshops at Damascus training centre were upgraded, and renovations made to Siblin training centre. While availability of funding was the main limitation on the Agency's building programme, in some fields, such as the West Bank and Lebanon, problems relating to sites were an equally serious constraint.

29. *Education reform by host authorities.* Since UNRWA's basic education programme followed that of the host authority in each field of operation as a matter of policy, changes in host authority education programmes had implications for the Agency, which under normal circumstances would introduce them in its schools. The most significant issue in that regard was the extension of the basic education cycle in the West Bank and Gaza Strip from nine to 10 years, which the Agency remained unable to carry out owing to financial constraints and lack of funding for a $25.5 million project proposal. In the absence of Agency funds and in the context of repeated requests by the Palestinian Authority, the Authority continued to accommodate tenth-grade pupils in its schools. A project proposal in the amount of $370,000 to introduce the tenth grade at Agency schools in Jerusalem – in response to difficulties faced by refugee pupils in attending public or private schools in the secondary cycle after completing the nine-year preparatory cycle in UNRWA schools – also remained unfunded. In March 1998, the Palestinian Authority approved the new Palestinian curriculum to replace the Jordanian curriculum in the West Bank and the Egyptian curriculum at Gaza. The new curriculum would be phased in over five years, starting in the 2000/2001 school year. In the Syrian Arab Republic, a new study plan, curriculum and textbooks for the elementary and preparatory cycles were being gradually introduced. The new format for the first elementary grade was fully implemented in UNRWA schools in the 1997/1998 school year, and the new second elementary grade was introduced at one Agency school at Yarmouk camp, ahead of full implementation in all Agency schools in 1998/1999. The Syrian Ministry of Education offered train-the-trainers

courses to UNRWA school supervisors in the newly prescribed second-grade textbook, to train Agency teachers in summer 1998. In Lebanon, a new education structure, curriculum and textbooks for the elementary and preparatory cycles were due to be implemented in Agency schools over a three-year period, beginning in the 1998/1999 school year. Although the new format was introduced on an experimental basis in some government and private schools in 1997/1998, with training sessions for educators, UNRWA schools were not included in the sample. In Jordan, revised editions of some prescribed textbooks were issued, thereby increasing the cost of textbooks for the Agency by some $51,000. Computer science was made an optional subject for grades 7 to 9 in Jordan and the West Bank with a view to eventually making it compulsory, as it was for the tenth grade in Jordan. The Agency was striving to implement the necessary changes to the extent possible so as not to place Agency pupils at a disadvantage with respect to their public school counterparts and/or create additional burdens on host authorities.

30. *Remedial and special education.* UNRWA continued to provide specially tailored programmes aimed at maintaining achievement levels and enabling pupils with learning difficulties to benefit fully from the Agency's basic education services. At elementary and preparatory schools in all five fields, standardized tests in basic subjects were administered for grades 4 to 9 at the end of the first and second semesters of the 1997/1998 school year with the aim of encouraging teachers to improve performance and identifying pupils in need of special attention. Compensatory measures for pupils included remedial classes, voluntary extra class periods, audio-visual programmes, curriculum enrichment materials and self-learning kits. Remedial and special education activities were provided in the Jordan, Lebanon and Gaza fields to help children with learning difficulties to participate in the mainstream education programme. In the 1997/1998 school year, those activities benefited 984 slow learners, 690 pupils in need of remedial attention and 24 deaf children. Owing to difficulty in obtaining sustained project funding for special education, ways were being explored to provide assistance to all children with learning difficulties at no additional cost to the Agency, utilizing existing resources and expertise.

31. *Vocational and technical training.* The eight UNRWA vocational and technical training centres in the Agency's five fields of operation had a total enrolment of 4,560 in the 1997/1998 school year, an increase of 116 over the previous year (see annex I, table 5). At the post-preparatory level, 22 two-year vocational training courses were offered to male trainees in the building, electrical, electronic, mechanical and metalworking trades, and to female trainees in hairdressing, clothing production and dressmaking. At the post-secondary level, 26 two-year technical/semi-professional courses were offered to male and female trainees in a variety of technical, paramedical and commercial skills. Women accounted for 62 per cent of all trainees enrolled in technical/semi-professional courses in 1997/1998. Course offerings varied from centre to centre according to local labour market needs and the availability of training opportunities at other institutions. Owing to financial constraints, the Agency remained unable to introduce new courses or expand the capacity of existing ones except by redeploying resources within the vocational and technical training programme or obtaining project funding to cover the associated recurrent and capital costs. No new courses were introduced during the reporting period. Besides the two-year training course, the principal mode of job preparation utilized by UNRWA, Agency training centres in Jordan and the West Bank offered short-term training courses of 6 to 40 weeks' duration, organized on an ad hoc basis in cooperation with non-governmental organizations or the Palestinian Authority. During the 1997/1998 school year, 281 trainees were enrolled in 11 such courses, which covered topics including executive secretary skills, electrical installations, building decoration, radio and television repair, and refrigeration and air-conditioning repair. The Agency also sponsored 44 Palestine refugee students in vocational training courses at private institutions in Lebanon and the West Bank, mainly with project funding. According to surveys conducted by the Agency, 79 per cent of the 1996 graduates of UNRWA training centres were employed in 1997. Several projects to construct, equip, renovate or upgrade workshops and other training facilities were ongoing or completed during the reporting period.

32. *Training courses.* The 22 trade courses offered at the eight UNRWA training centres comprised: auto body repair, auto electrical systems, auto mechanics, building construction craftsmanship, building finishing and decorating, carpentry/furniture making, diesel and construction equipment mechanics, diesel and agricultural machinery mechanics, general electrical installations, machine maintenance, machining/welding, maintenance fitting/machining, office equipment maintenance, plumbing and central heating, radio and television maintenance, refrigeration and air-conditioning, sheet metal and aluminum fabrication, smithery/welding, and welding and pipe fabrication, as well as courses for women in clothing production, dressmaking, and hairdressing and beauty care. The 26 technical/semi-professional courses comprised: architectural engineering, assistant in architecture, assistant in civil engineering, assistant in pharmacy, assistant in

physiotherapy, banking and financial management, business administration, business and office practice, ceramics production, computer science, computer information systems, dental hygiene, electronics, home and institutional management, industrial electronics, interior design and decoration, land surveying, marketing and financial management, mechanical draughting, medical laboratory work, nursing, pre-school education, secretarial and medical record-keeping, secretarial and office management, social work and technical construction work.

33. *Educational Sciences Faculty (ESF).* The three branches of the ESF in Jordan and the West Bank continued to provide pre-service and in-service teacher training leading to a first-level university degree, as part of the process to upgrade the qualifications of UNRWA teaching staff to meet revised standards set by the Government of Jordan and the Palestinian Authority. The four-year pre-service programme, which granted university-level degrees in classroom teaching, Arabic language, English language, mathematics, science, vocational education or Islamic education, was offered to 811 secondary school graduates, including 598 women, at the Amman, Ramallah Men's, and Ramallah Women's training centres. The three-year in-service programme was offered at the Amman training centre to 644 serving Agency teachers holding two-year teacher training diplomas, including 212 women, to upgrade their qualifications to the first university degree level with a specialization in classroom teaching, Arabic language or Islamic education. It was decided not to introduce the in-service training programme at the Ramallah ESFs owing to local circumstances (see para. 188). During the reporting period, a total of 151 students graduated from the pre-service programme and 177 from the in-service programme. Of the 378 pre-service graduates to date (227 in 1996/1997 and 151 in 1997/1998), 46 had been recruited by the Agency on competitive basis to meet staffing requirements in the West Bank and Jordan fields. The remaining graduates would add to the pool of qualified teachers from which the Agency could draw in future. Owing to difficulties in recruiting qualified elementary teachers in Lebanon, the Agency reinstated a small pre-service teacher training course at Siblin training centre (see para. 156).

34. *In-service teacher training.* Beyond the specific objectives of the ESF programme, UNRWA continued to maintain and improve qualitative standards within its education system through its regular in-service training programme, which benefited 575 teachers, head teachers, school supervisors and vocational training instructors during the reporting period. The regular in-service training programme aimed to upgrade the qualification of teachers to meet revised standards, enhance teacher competencies in particular curricular areas, and improve the administrative and supervisory skills of managerial staff. Most training courses comprised weekly seminars held outside working hours combined with instruction offered during the summer break, with a duration of one to three years. The UNRWA/UNESCO Institute of Education, located at the Agency's Amman headquarters, provided overall guidance for the regular in-service training programme. In the West Bank field, some Agency teachers participated in summer courses or workshops organized by the Palestinian Authority and non-governmental organizations to upgrade teaching skills and methodologies. In the Syria field, a short refresher course for science teachers and training activities for English language teachers were offered on an ad hoc basis.

35. *University scholarships.* UNRWA continued its attempts to enhance education levels and hence employability among the Palestine refugee population by offering merit-based university scholarships to high-achieving youth. In the 1997/1998 school year, the Agency awarded scholarships to 1,055 refugee students, including 488 women, for study at 44 universities in 11 countries in the Middle East region. Following the freeze on the regular budget allocation for university scholarships in August 1997 (see para. 4), the entire scholarship programme was funded through project contributions. Additional project contributions would be required to sustain the programme in future years, particularly for the 315 recipients who were in the midst of their studies. Ranging in value from $250 to $1,500 per year depending on university tuition rates, the one-year scholarships were awarded on the basis of academic merit as evidenced by the results of general secondary-school examinations (tawjihi) administered by host authorities, and were renewable annually for students progressing to the next year until the first university degree level was achieved. The main areas of study pursued by scholarship recipients in 1997/1998 were engineering (26 per cent), medicine (25 per cent), pharmacy (22 per cent) and dentistry (10 per cent), with other specializations accounting for the remaining 17 per cent.

36. *Programme budget and administration.* The education programme remained UNRWA's single largest area of activity. The 14,372 education staff – including teachers, administrative staff and support staff – represented more than two thirds of all Agency staff, while the education budget of $160.3 million for 1998 accounted for half of the total Agency budget. Actual expenditure for 1998 was expected to be less than the amount budgeted owing to austerity and other cost reduction measures taken in response to funding shortfalls. In all fields except Gaza, nominal

contributions at prescribed rates were collected from pupils and trainees on a voluntary basis for use in improving the facilities and equipment of schools and training centres. Other forms of community support for the education programme included donations of equipment, furniture and supplies, and in the West Bank, provision of cash contributions to build or renovate premises and a plot of land for construction of three new schools. In March 1998, the Agency issued a request for donor-funded technical expertise to assist in education planning, to which one donor responded favourably. Another donor would provide technical assistance and funding to introduce computer training at UNRWA training centres.

37. *Impact of austerity measures*. The impact on the education programme of the continuing funding shortfalls experienced by UNRWA since 1993 was felt most directly in the inability of the programme to expand at a rate commensurate with growth in the beneficiary population, as described above. The Agency was seeking to deal with that trend while maintaining the quality of education by making the most cost-effective use of available resources through an integrated approach based on increased classroom sizes, maintaining double-shifting, hiring teachers on contract basis and replacing rented premises with Agency-standard structures. Nonetheless, some of those measures could not be implemented without negative consequences for the quality of education, including reduced interaction between teachers and pupils, higher workloads for teaching and supervisory staff and difficulties in hiring qualified teachers at contract or daily-paid rates. Financial constraints also prevented the Agency from keeping up with educational reforms introduced by host authorities, particularly the introduction of the tenth grade in the West Bank and Gaza Strip (see para. 29 above), which had the effect of widening the gap between UNRWA and host authority education systems and undermining ongoing efforts at harmonization. Although the capacity of the vocational and technical training programme had increased slightly since 1993, it was directly benefiting a declining proportion of refugee youth while remaining unable to match demonstrated demand for training. No funds existed to introduce additional vocational training courses. The Agency's critical financial situation after mid-1997 obliged it to consider a series of service reductions, including introduction of fees for textbooks in the West Bank and Gaza Strip. That measure was revoked following the widespread outcry against the reductions and receipt of additional contributions (see paras. 4 to 6). However, the freeze on regular budget allocations for university scholarships Agency-wide could not be revoked, making the scholarship programme dependent on continued project funding. Other austerity measures affecting the education programme were the general recruitment freeze introduced in August 1997, the reduction in maintenance allocations, which led to early dilapidation of premises, and cuts in allocations for vocational training equipment and supplies.

38. *Cooperation with host authorities*. In all five fields of operation, UNRWA's basic education programme continued to be carried out in accordance with host authority education systems. Senior Agency staff in all fields continued to participate in educational development activities of host authorities, particularly in forums dealing with policies that might affect the Agency's education programme. There was a high degree of cooperation between UNRWA and host authorities in connection with implementation of curricular changes in national school systems, as described in para. 29 above. With regard to the West Bank and Gaza Strip, the joint UNRWA-PA technical coordination committee met in November 1997 and April 1998 to discuss a range of issues, including textbooks, school buildings, in-service teacher training, vocational and technical training, introduction of the tenth grade, and developments in the preparation of the new Palestinian curriculum. UNRWA provided the Palestinian Authority with several in-service teacher training programmes and related instructional materials, for use in the Authority's in-service training programme. In April 1998, UNRWA offered a short course in measurement and evaluation techniques for 24 newly appointed Palestinian Authority school supervisors in the West Bank. The Palestinian Authority and UNRWA agreed to share information in connection with the school mapping project being conducted by the Palestinian Authority in the West Bank and Gaza Strip. Agency staff participated in the development of the new Palestinian curriculum, in the preparation of a new vocational training strategy and in updating the curricula of some community college vocational training courses. UNRWA continued to cooperate with the Palestinian Authority in offering short-term vocational training courses for released prisoners in the West Bank. In the Syrian Arab Republic, the Government provided a plot of land for the construction of Mezzeh school, made available textbooks at reduced prices and donated teaching aids for UNRWA schools, while the Damascus Municipality paved yards at Damascus training centre free of charge.

39. *Cooperation with UNESCO/Arab League*. UNRWA's education programme was run in cooperation with UNESCO, which assumed technical responsibility by providing a group of seven senior managers to UNRWA, including the Director of Education. Of those managers, four occupied international posts provided by UNESCO on a non-reimbursable loan basis, and three occupied area posts whose

cost was covered by UNESCO. With funding from UNESCO, UNRWA participated in UNESCO's south-eastern Mediterranean project for the preservation of the sea environment (SEMEP), sponsoring educational activities on SEMEP themes at 14 Agency schools and participating in the SEMEP summer school in Greece in August 1997. The seventh annual joint meeting between UNRWA and the Arab League Council on Education for the Children of Palestine was held at Cairo in December 1997. The council commended the Agency's efforts to provide education services at acceptable standards despite financial constraints.

B. Health

40. *Primary care.* UNRWA's health programme remained focused on comprehensive primary health care, including a full range of maternal and child health (MCH) and family planning services, school health services, health education and promotion activities, outpatient medical care services, prevention and control of communicable diseases and of non-communicable diseases, such as diabetes mellitus and hypertension, and specialist care, with an emphasis on gynaecology and obstetrics, paediatrics and cardiology. These services were provided through the Agency's network of 122 primary health-care facilities – including 89 health centres, 23 health points offering a wide range of health-care services on a part-time basis, and 10 MCH centres offering comprehensive family health services – supported by basic services, such as X-ray and laboratory facilities (see annex I, table 6). During the reporting period, Agency outpatient facilities handled 5.4 million medical and 0.5 million dental visits, as well as 1.2 million visits for nursing services, such as dressings and injections. Essential medical supplies, supplementary feeding for vulnerable groups and rehabilitation of physical disabilities were also provided within the framework of the primary health-care programme. A World Bank report[1] concluded that UNRWA's efficient approach to health-care delivery could provide a basis for the development of a sustainable Palestinian health system in the West Bank and Gaza Strip. The report stated that with an annual per capita expenditure on health of $18 in a cultural and epidemiological environment similar to that for non-refugees, certain aspects of the Agency's system, such as treatment protocols and material resources management, could easily be adopted and adapted to the government sector.

41. *Health infrastructure.* With project funding received mainly under PIP, UNRWA continued to rehabilitate or replace health facilities that had deteriorated beyond the point of economical repair owing to lack of funds for preventive maintenance. During the reporting period, construction was completed on three health centres to replace unsatisfactory premises and major renovation or upgrading works were carried out on 10 centres. Works to replace the field pharmacy in Jordan and two primary health-care facilities in Lebanon were in progress at the close of the reporting period. The Agency was seeking additional PIP contributions to cover the cost of replacing several health facilities accommodated in unsatisfactory premises and rehabilitating others. The progress attained over the last five years in construction, upgrading and equipping of primary health-care facilities helped to improve service standards and patient flow, with marked impact on the quality of care, partially offsetting the negative effects of austerity measures.

42. *Family health.* Family health continued to be emphasized as an integral part of UNRWA's regular health programme. During the reporting period, UNRWA's MCH clinics and centres cared for some 201,600 children below the age of three, representing approximately 6 per cent of the registered refugee population, and some 69,000 pregnant women, who accounted for approximately two thirds of expected pregnancies among women of reproductive age based on current crude birth rates. Over 21,400 family planning acceptors were registered during the reporting period, bringing the total number of women utilizing the Agency's family planning services to more than 58,000. The number of health centres providing intra-uterine devices increased from 61 in mid-1997 to 74 in mid-1998. Overall coverage of maternal antenatal services Agency-wide was approximately 70 per cent of the target population, while coverage of child health care was approximately 75 per cent. The highest rates of coverage were obtained in the Gaza Strip, owing to the ease of access of refugees to MCH facilities. The family health programme continued to emphasize cost-effective investments in human resources to enhance capacity-building and improve the quality of care. Intensive training to upgrade staff skills was provided both in house and in cooperation with WHO and local universities. The progress attained in recent years towards development of a comprehensive maternal health and family planning programme was reinforced through additional contributions under the 1996–1998 convention between UNRWA and the European Community, used mainly to meet staff costs of the programme, upgrade medical equipment in MCH clinics and procure contraceptive supplies. The Agency's system of maternal death surveillance was reinforced to help reduce maternal mortality from preventable causes. Performance indicators were developed to measure progress in coverage and quality of antenatal, post-natal and family planning services. As part of research to assess the health status of the refugee population, the

Agency conducted studies of infant and early child mortality in Jordan, Lebanon, the Syrian Arab Republic and the Gaza Strip. The studies revealed that the infant mortality rate among Palestine refugees ranged between 27 and 35 deaths per 1,000 live births, consistent with regional rates as reported in demographic and health surveys conducted by host authorities (see annex I, table 7). The UNRWA studies also found that a major proportion of infant deaths fell within the early neonatal period, which were normally more difficult to prevent. In national, regional and international meetings sponsored by WHO and other health organizations, the Agency's field experience in reproductive and family health continued to be regarded as a major asset in developing appropriate intervention strategies to improve standards throughout the region.

43. *Disease prevention and control.* UNRWA exerted special efforts to maintain and further develop an effective programme to address the array of challenges in disease prevention and control, including control of communicable diseases preventable through immunization, such as poliomyelitis and tetanus; prevention of vector-borne diseases transmitted through environmental channels, such as brucellosis and intestinal parasites; prevention of newly-emerging infectious diseases, such as HIV/AIDS; control of re-emerging infectious diseases, such as tuberculosis; and prevention and control of non-communicable diseases associated with lifestyle, such as diabetes mellitus, hypertension, heart disease and cancer (see annex I, table 7). To this end, the Agency maintained optimal immunization coverage against the major childhood diseases, participating in spring 1998 in two rounds of national immunization days for eradication of poliomyelitis throughout its area of operations, in the context of a WHO regional strategy implemented in coordination with local health authorities. Using vaccines donated by UNICEF, UNRWA immunized 211,800 refugee children under age five in the first round and 187,000 in the second. Special care, comprising close monitoring and management of diabetes mellitus and hypertension, was provided through all Agency health centres, benefiting 71,400 patients during the reporting period. Special attention continued to be paid to early detection and management of micronutrient disorders, especially iron-deficiency anaemia, which was still highly prevalent among pre-school children and women of reproductive age. Plans were under way to conduct a nutrition survey in the Gaza Strip in autumn 1998, in cooperation with the Palestinian Authority and the WHO collaborating centre, the United States Centres for Disease Prevention and Control. The Agency was taking steps to strengthen its tuberculosis surveillance and control measures and coordinate them with those of public health authorities throughout the area of operations, based on the directly observed short-course treatment strategy (DOTS) and the recommendations of a WHO technical adviser on communicable diseases, who conducted an assessment of UNRWA's tuberculosis programme in Jordan, Lebanon and the Syrian Arab Republic in May–June 1998. The Agency was planning to join forces with other health-care providers in the West Bank and Gaza Strip as implementation proceeded on the public health component of a brucellosis surveillance and control programme developed in 1997 by the Palestinian Authority, in cooperation with WHO and UNDP. A generous contribution of human insulin from a United States corporation channelled through a non-governmental organization helped the Agency to meet its requirements for treatment of insulin-dependent diabetes mellitus Agency-wide in 1997 and 1998.

44. *Secondary care.* UNRWA provided assistance towards secondary care to Palestine refugees through partial reimbursement of costs incurred for treatment at governmental or non-governmental organization hospitals and/or through contractual agreements with non-governmental organization or private hospitals, depending on the field of operation. Secondary care was also provided directly by the Agency at two facilities in the West Bank, the 43-bed Qalqilia hospital and a small maternity unit in Nur Shams refugee camp. The steadily rising cost of secondary care as a result of revised rates by governmental and non-governmental organization hospitals continued to jeopardize the sustainability of the hospitalization programme, making effective management of scarce resources a paramount concern of the Agency. The stricter referrals criteria and standard 25 per cent co-payment rate introduced in previous years were accordingly maintained, and the co-payment rate at Qalqilia hospital was standardized with general rates Agency-wide (see para. 192). Hospitalization services in Lebanon could only be maintained at the current level through extrabudgetary contributions, without which services would have been seriously curtailed. Hospitalization accounted for approximately 27 per cent of the 1998 medical care budget, with the highest per capita allocations in the West Bank and Lebanon. Given the severe strain under which the hospitalization programme was operating, any further cost-containment measures would probably endanger the lives of needy refugees, particularly in Lebanon, while threatening the sustainability of some non-governmental organization hospitals that depended on contracts with UNRWA, such as Augusta Victoria Hospital at Jerusalem.

45. *Human resource development.* UNRWA continued to emphasize the development of human resources for health

through basic in-service and postgraduate training as a key element in improving programme efficiency and quality of care. Continuing in-service training was directed at upgrading to defined standards staff skills in implementing health strategies and standard management protocols in family health, disease prevention and control, laboratory techniques, management information systems and total quality management. In November 1997, programme managers from the five fields of operation and the Palestinian Authority participated in two training workshops on epidemiology and reproductive health counselling, organized in cooperation with the United States Centres for Disease Prevention and Control with extrabudgetary funding. The workshops represented the first phase of a comprehensive capacity-building programme for Palestinian health professionals. The Agency continued to encourage postgraduate training in public health at local universities, sponsoring six professional staff at Bir Zeit University and Jordan University of Science and Technology. Another six medical officers from the five fields participated in a short-term non-governmental organization-funded training course in community health, held in Japan. The Agency's vocational and technical training programme continued to offer basic paramedical education in pharmacy, laboratory work, dental hygiene, physiotherapy, nursing and medical record-keeping. The Gaza College of Nursing concluded its general nursing and practical midwifery training activities with the graduation of the last batch of students in June 1998 (see para. 215).

46. *Health education.* UNRWA continued to implement a wide range of health education activities aimed at promoting a healthy lifestyle and raising public awareness within the refugee community. Counselling sessions and audio-visual programmes were offered on a continuous basis for health centre attendees; schoolchildren were targeted through planned activities organized by a health tutor in each Agency school; and community health education campaigns were organized on an occasional basis, mainly in camps. Topics addressed included family health issues, home management of common childhood diseases, personal health and hygiene, environmental sanitation and prevention of disabilities. In addition, all international health days – such as World Health Day, World No Tobacco Day and World AIDS Day – were marked through activities organized at Agency installations inside and outside camps and at the community level. Owing to funding shortfalls, the multisectoral youth-centred education programme on prevention of tobacco use, successfully introduced in UNRWA preparatory schools in the 1996/1997 school year, could not be maintained in 1997/1998 but will be resumed in 1998/1999 and expanded to children in the sixth grade and above. With sustained support from UNAIDS, the multisectoral school health education programme on prevention of HIV/AIDS was maintained for school-children in grades 9 and 10 and its scope broadened to include UNRWA vocational and technical training centres, ESFs, and WPCs.

47. *Environmental health.* Over 1.1 million Palestine refugees residing in the 59 official refugee camps benefited from environmental health services provided by UNRWA in cooperation with local municipalities, including sewage disposal, management of storm water run-off, provision of safe drinking water, collection and disposal of refuse, and control of insect and rodent infestation. The Agency continued to play an active role, particularly in the Gaza Strip, in the planning and implementation of large-scale projects for the installation of sewerage, drainage and water networks in camps and the expansion of solid waste collection and disposal capacity. During the reporting period, the Agency achieved operationalization of the new sewerage and drainage system in Beach camp in the Gaza Strip; continued implementation of sewerage and drainage projects in Deir el-Balah camp at Gaza and Neirab camp in the Syrian Arab Republic; began contracting a project to improve water and wastewater infrastructure in eight refugee camps in Lebanon; prepared detailed designs for a sewerage and drainage scheme in Shu'fat camp; conducted a feasibility study for mechanization of solid waste management in Jordan; and commenced procurement of solid waste management equipment in Lebanon. Those projects were complemented by self-help improvement programmes for pavement of pathways in refugee camps in all fields, whereby the Agency contributed construction material and the community provided volunteer labour.

48. *Programme budget.* UNRWA's health programme had a budget of $62.6 million for 1998. Actual expenditure for 1998 was expected to be less than the amount budgeted owing to austerity and other cost reduction measures taken in response to funding shortfalls. Average budgeted health expenditure for 1998 stood at $15.3 per refugee per year, well below expenditures by other health-care providers in the region. Approximately two thirds of the health budget was allocated to medical care services, comprising treatment and support services, family health, and disease prevention and control, with the remaining third divided equally between environmental health services and the supplementary feeding programme. Eighty per cent of the medical care allocation was devoted to primary health-care services, and the remaining 20 per cent to essential hospital services. Patterns of expenditure varied among fields according to local conditions, including relative cost of care

and ease of access to Agency and public sector health services. UNRWA's health-care system continued to be considered among the most cost-effective in the region, as repeatedly confirmed by independent assessments.

49. *Health staffing and workloads*. Approximately 63 per cent of health programme cash allocations was for the costs of UNRWA's 3,500 locally-recruited health staff, who implemented all core programme activities. Owing to limitations on hiring as a result of financial constraints, available human resources continued to fall short of ever-increasing demand on the Agency's health services and rapid population growth. Consequently, workloads in UNRWA primary health-care facilities remained high: an average of 100 patient visits per doctor per day Agency-wide, compared to about 51 per day by a Palestinian Authority doctor in the Gaza Strip. To limit the adverse effects of high workloads on quality of care, standard management protocols were developed, staff trained to defined competency levels, and an appointment system implemented. The appointment system, applied to MCH clinics, specialist and special care, and laboratory and dental services, markedly improved patient flow, reduced client waiting time and increased staff/client contact time.

50. *Pharmaceuticals*. A 1997 World Bank report[2] concluded that UNRWA's drug management system at the primary health-care level was a good model for how an effective supply organization could work, even under difficult circumstances. According to the report, the Agency's system – characterized by a limited list of drugs based on WHO guidelines, standardized treatment schedules, and effective training and supervision – yielded positive results in terms of drug availability, therapeutic interventions and patient satisfaction. Those results were achieved at a cost of about 4 per cent of total 1996 expenditure on pharmaceuticals by all health-care providers in the West Bank and Gaza Strip.

51. *Impact of austerity measures*. UNRWA's health programme continued to be negatively affected by the austerity and other cost reduction measures implemented since 1993 in response to funding shortfalls, in particular a co-payment scheme for treatment at contracted hospitals introduced in October 1995, suspension of hospitalization assistance for emergency treatment at private hospitals in Jordan from August 1996, a general recruitment freeze introduced in August 1997, and reduced allocations for medical supplies, maintenance of premises, travel and training. The Agency continued to pursue cost containment and efficiency enhancement measures in the health programme to make best use of the limited resources available. Those measures included further capacity-building through continuing education and in-service training (see para. 45), mechanization of solid waste management through project funding to reduce recurrent costs, and redeployment of human and material resources in certain fields to offset shortages arising from inadequate budget allocations and austerity measures. The latter was based on cost-benefit analyses of various components of the health programme, including pharmaceuticals and laboratory and radiology services. Nonetheless, faced with an acute deficit in late 1997, the Agency had no option but to consider a series of service reductions, including suspension of hospitalization services Agency-wide for November and December 1998. Following an outcry against the reductions and receipt of additional contributions, that measure was revoked prior to implementation (see paras. 4 to 6).

52. *Cooperation with host authorities*. UNRWA continued to cooperate closely with the Palestinian Authority in the health sector and provide assistance for projects to enhance health infrastructure, in the framework of the Agency's commitment to the process of building within available means a sustainable health-care system in the Palestinian self-rule areas. The Agency cooperated closely with the Palestinian Authority in implementation of a three-year maternal health and family planning project at Gaza (see para. 216); development of a brucellosis surveillance and control programme in cooperation with WHO and UNDP (see para. 43); a joint training programme in epidemiology and reproductive health (see para. 45); and harmonization of its immunization schedule with that of the Palestinian Authority, which provided the Agency's vaccine requirements. A close dialogue was maintained between UNRWA, the Palestinian Authority and the European Union to reach a common understanding on the commissioning and future operation of the European Gaza Hospital (see para. 214). The Agency cooperated with the Palestinian Authority and concerned donors regarding projects for the construction of a public health laboratory in the West Bank (see para. 196); the upgrading of UNRWA's Qalqilia hospital in the West Bank (see para. 196); and improvements to environmental health infrastructure in the Gaza Strip (see para. 217). Senior UNRWA health staff participated in all Palestinian Authority technical committees concerning practical aspects of health policy and in all health-related meetings, conferences and studies organized by the Palestinian Authority in cooperation with WHO, UNICEF and donors. The Agency also maintained close cooperation with health ministries in Jordan, Lebanon and the Syrian Arab Republic, including through exchange of information, coordination of disease control measures and participation in national conferences and immunization campaigns. The Governments of Jordan and the Syrian Arab Republic

provided the Agency's annual requirements of hepatitis B vaccine in the framework of ongoing arrangements. UNRWA projects for the improvement of sewerage, drainage and water supply systems in refugee camps were carried out in coordination with local authorities, and were complemented by government-sponsored projects to improve environmental health infrastructure in camps or to connect camps to municipal or regional networks, particularly in Jordan and the Syrian Arab Republic.

53. *Cooperation with United Nations agencies.* Technical supervision of UNRWA's health-care programme continued to be provided by WHO through provision of senior programme staff and sustained technical support. Under long-standing arrangements, WHO provided UNRWA on a non-reimbursable loan basis the Agency's Director of Health, and covered the cost of the five local posts of headquarters division chief. UNRWA participated in WHO international and interregional meetings, and observed all international health days. WHO conducted an assessment of the Agency's tuberculosis control programme in three fields (see para. 42), and provided technical advice on revision of the Agency's expanded programme on immunization. UNICEF provided in-kind donations of the Agency's requirements of vaccines for the expanded programme on immunization – including antigens against the six childhood diseases and hepatitis B vaccine in Lebanon – in the framework of long-standing cooperative arrangements; in the West Bank and Gaza Strip, those donations were channelled through the Palestinian Authority. UNICEF also provided an in-kind donation of a wide-spectrum anti-parasitic drug to support a de-worming campaign in Jordan (see para. 140). UNAIDS continued to support a school health education programme on prevention and control of HIV/AIDS during the 1997/1998 school year (see para. 46).

C. Relief and social services

54. *Refugee registration.* There were 3.52 million Palestine refugees registered with UNRWA on 30 June 1998, an increase of 3.0 per cent over the 30 June 1997 figure of 3.42 million (see annex I, table 1).[3] As in the previous reporting period, the rate of increase reflected the rate of natural population growth, with most requests for updating of records representing new births, marriages and deaths. The largest proportion of refugees was registered in Jordan (41.6 per cent of the Agency-wide total), followed by the Gaza Strip (21.9 per cent), the West Bank (15.8 per cent), the Syrian Arab Republic (10.4 per cent) and Lebanon (10.4 per cent). Of the registered population, 37.2 per cent were age 15 or under, 53.8 per cent were between 16 and 59 years of age, and 9.1 per cent were age 60 or older. Fewer than one third were registered in the 59 refugee camps in the area of operations, most being intermingled with the indigenous population in towns and villages (see annex I, table 2).

55. *Unified registration system.* Further progress was achieved in the project to develop a unified registration system (URS) to electronically integrate three sets of UNRWA records: the computerized database containing registration data for registered Palestine refugees; the computerized database containing socio-economic data on special hardship cases (SHCs); and the hard-copy archive of an estimated 700,000 family files. Following decentralization of the registration database in previous reporting periods, a pilot version of the field social study system (FSS) was installed in the West Bank field in October 1997, ahead of full installation in all fields in late 1998. FSS, an enhanced version of the socio-economic database, would enable data to be updated at the field and area level for better programme planning and management. Following a pilot project conducted in early 1997 for the electronic storage of family files, an in-depth evaluation was carried out that resulted in a detailed plan for the scanning of the entire family files archive – the major logistical task of the URS project – and its integration with the two existing databases. However, in the absence of additional extrabudgetary contributions for the next phase of implementation of the URS project, no further progress could be achieved. With the electronic storage of the family files and the integration of the three sets of records, the URS would improve programme planning and management, ensure the security of vital data and preserve an important historical resource.

56. *Special hardship programme.* UNRWA continued to assist refugee families unable to meet basic needs for food, shelter and other life essentials through the special hardship programme. The number of refugees in households meeting the stringent eligibility criteria – no male adult medically fit to earn an income and no other identifiable means of financial support above a defined threshold – increased by 5.6 per cent, from 185,259 on 30 June 1997 to 195,616 on 30 June 1998 (see annex I, table 3). The proportion of SHCs within the total registered refugee population increased slightly, from 5.4 per cent to 5.6 per cent. The overall increase in SHC enrolment generally corresponded to the introduction of the cash subsidy for food support (see below), with a lower rate of increase observed in Lebanon, where the cash subsidy was not introduced until January 1998. The Agency also continued to actively follow up programme implementation. Although the SHC programme did not provide assistance to households in which there were

employable but unemployed male adults, poor socio-economic conditions, including unemployment, contributed indirectly to the demand for assistance by reducing the income-earning potential of extended families, on whom poorer households might rely as an alternative to SHC assistance. The percentage of refugees enrolled in the programme continued to be highest in Lebanon (10.3 per cent) and the Gaza Strip (8.6 per cent) and the lowest in Jordan (2.6 per cent). The Agency commenced a preliminary comparative study of UNRWA and host authority policies on assistance to needy families, due to be completed by the end of 1998. In March 1998, the Agency issued a request for donor-funded technical expertise to assist in review of eligibility criteria for the SHC programme.

57. *Food support.* The principal means of assistance to SHC families was food support, together with selective cash assistance, shelter rehabilitation, poverty alleviation initiatives, higher hospitalization subsidies and preferential access to UNRWA training centres. Implementation of the modified form of food support introduced in the previous reporting period – whereby a cash subsidy equivalent to $40 per person per year replaced certain lesser-valued commodities in the food ration, with the other commodities still being distributed in kind – continued to proceed smoothly, although in late 1997 the cash subsidy was disbursed behind schedule owing to delays in receipt of funding. In the first half of the reporting period, SHC families in Lebanon continued to receive a full complement of rations in kind, in accordance with previous arrangements. However, in view of the dire socio-economic conditions facing SHC families in Lebanon, and following consultations with donors, it was decided to provide the same level of cash subsidy to those families, over and above the full complement of rations that they had been receiving, with effect from 1 January 1998. The survey to assess client preferences and the impact of the modified form of food support on usage patterns and food security in SHC households was completed in October 1997. The final phases of the survey confirmed the preliminary indications, namely that the change was cautiously welcomed by a majority of clients in all fields. A subsequent internal review, discussed with the concerned donors in February 1998, concluded that the diversified cash/in-kind approach to food support should continue in its present form for the time being, and that further steps should be taken to avoid stock ruptures of basic commodities.

58. *Selective cash assistance.* Owing to continuing financial difficulties, UNRWA was obliged to freeze the regular budget allocation for selective cash assistance in August 1997 (see para. 4). That assistance had been provided on an ad hoc basis to SHC families experiencing distress as a result of emergency situations, such as fire, flooding, death or incapacity of heads of households or income-earners. In the absence of regular budget funds for such assistance, the Agency's ability to respond to acute crises with the refugee community was severely eroded.

59. *Shelter rehabilitation.* With project funding, UNRWA rehabilitated a total of 505 shelters of SHC families, as compared to 600 in the previous reporting period. Works for shelter rehabilitation were carried out either on a self-help basis, with the Agency providing financial and technical assistance and beneficiary families arranging volunteer labour, or by small camp-based contractors, with the aim of creating employment within the refugee community. Following the freeze of the regular budget allocation for shelter rehabilitation in August 1997 (see para. 4), the entire shelter rehabilitation programme was funded through earmarked contributions, with one donor making available $1 million for that purpose. Nonetheless, available resources continued to fall far short of identified need. It was estimated that some 12,516 SHC families, representing 25 per cent of the Agency-wide total and comprising 48,904 persons, still lived in housing that did not meet minimally acceptable standards for structural soundness, hygiene, ventilation and space relative to family size. Those families tended to be living in extreme socio-economic hardship, and in some cases the condition of their shelters posed a hazard to the safety and health of occupants. Need was particularly great in the Lebanon field, where a large number of SHC families inhabited substandard shelters and many families were living outside camps in desperate conditions. In Lebanon, the Agency with project funding completed a facility to accommodate 55 displaced and impoverished refugee families in Beddawi camp (see para. 166).

60. *Poverty alleviation programme.* Under the poverty alleviation programme, UNRWA continued to assist disadvantaged refugees, especially women, to raise their socio-economic status through skills training, production units, group-guaranteed savings and loan schemes, and credit provision. The programme focused on SHCs with a view to enabling them to achieve a level of income sufficient to be removed from the hardship rolls. During the reporting period, 58 grants and 118 loans were awarded by the Agency to SHC and other impoverished families to assist them in establishing microenterprises. Though some of the credit extended was in the form of soft loans, consisting of 70 per cent grant and 30 per cent loan, the programme's emphasis shifted towards fully repayable loans, which allowed capital to be recovered and reinvested. UNRWA staff provided training in credit provision and served as trainers in courses

organized by other United Nations organizations in Jordan, Lebanon and the Syrian Arab Republic. Group-guaranteed savings and loan schemes benefited 143 participants in Jordan and the Syrian Arab Republic with loans to promote sustainable income-generation activities or improvements to participants' homes or shelters. Like a small community bank, each group had its own seed capital that provided loans to members, mainly women, through a revolving fund established with pooled savings and Agency support. A total of 25 skills-training and production units were in operation, including income-generation projects established at Women's Programme Centres (WPCs) and Community Rehabilitation Centres (CRCs). There were 1,331 participants in the poverty alleviation programme during the reporting period (see annex I, table 8).

61. *Social development programmes*. Participation in UNRWA's community-based social development programmes for women, youth and persons with disabilities increased by 18.5 per cent, from 32,407 at mid-1997 to 38,417 at mid-1998. The focal point for the programmes remained the network of 128 Agency-supported community centres, comprising 70 WPCs, 32 CRCs and in the West Bank and Gaza Strip, 26 youth activities centres (YACs). The centres played an important role in community life and in many areas were the only ones of their kind. Activities at WPCs emphasized projects and training that would help participants earn an income; lectures and workshops on issues of concern to women and the community, including a special educational programme on HIV/AIDS; courses to enhance women's social development; and provision of support services for women, such as kindergartens and legal advice bureaus. CRCs worked to raise community awareness of the needs and rights of the disabled; integrate persons with disabilities into mainstream activities, such as schooling; help disabled persons and their families cope with disability; assist disabled adults in obtaining training and employment; offer referrals to specialist services; and provide equipment, such as hearing aids and prosthetic devices. YACs offered sports, recreational and cultural activities, which were increasingly open to young women; organized community service activities such as training of volunteer rehabilitation workers; and held lectures and workshops on issues of community concern.

62. *Progress towards self-sustainability*. UNRWA supported the network of community centres by providing financial and technical support and promoting institution-building in the framework of the five-year plan (1995–1999) to achieve full managerial and financial sustainability of the centres. On 30 June 1998, 68 of the 70 WPCs were managed by local committees, up from 52 the previous year, as were all CRCs and YACs. The Agency provided small subsidies to each centre towards an approved annual programme plan and budget, helped the committees establish income-generation projects to provide revenue for the centre and income for participants, and trained community volunteers in fund-raising skills. Most income to the centres was derived from participation fees for activities and contributions from external sources, with support from UNRWA accounting for less than half of most centres' operating requirements. The Agency continued to provide training to local committees and Agency staff in all fields in skills necessary for self-management of the centres, such as programme, administrative and financial management, and development of organizational structures. The Agency assisted in establishing new managing committees and preparing committee by-laws, and sought to strengthen links among the centres and between them and local governmental and non-governmental organizations sharing similar objectives. The centres relied heavily on the efforts of volunteers, who were responsible for planning and implementing activities. In the Gaza Strip, self-sustainability was promoted through a special organizational development unit, which provided intensified training and assistance to community centres.

63. *Programme budget and administration*. The 1998 budget of the relief and social services programme was $42.6 million, although actual expenditures were expected to be less owing to austerity and other cost reduction measures taken in response to funding shortfalls. Those measures included freezing the regular budget allocations for shelter rehabilitation and selective cash assistance for SHC families as part of the August 1997 round of austerity measures, which reduced the Agency's ability to address basic needs among the most disadvantaged and vulnerable sectors of the refugee community. The relief and social services programme was also affected by limitations on recruitment, which increased workloads of local staff to the point where programme functions were negatively affected. With caseloads averaging 268 families, for example, each social worker could spend an average of only six hours per family per year to manage the delivery of SHC assistance and promote self-reliance. There were 786 relief and social services staff. Community participation remained strong in the social services programme, where local volunteers played an important role in the work of community centres, and most centre costs were covered by fees for activities and income-generation projects. In the relief programme, community participation included self-help schemes for shelter rehabilitation and provision of credit to help impoverished refugees become economically self-sufficient.

64. *Cooperation with host authorities and non-governmental organizations.* UNRWA's social development programmes were carried out in close cooperation with host authorities, non-governmental organizations, and other United Nations agencies. Cooperation was particularly close with the Palestinian Authority departments of culture, social affairs, and youth and sports, which actively supported the Agency-supported community centres by granting financial and technical assistance on an ad hoc basis, facilitating social development work and cooperating in organizing educational and recreational activities. Other areas of cooperation included participation in Palestinian Authority policy development for disabled persons (see para. 204); an after-school recreation programme (see para. 225); poverty alleviation initiatives (see para. 202); and a campaign for early intervention on visual impairment (see para. 226). Cooperation in the relief and social services sector also remained strong in Jordan, Lebanon and the Syrian Arab Republic. The newly established Waqqas community compound in Jordan – the first of its kind – represented the high degree of cooperation with the Jordanian authorities in the social services sector. Other United Nations agencies and local and international non-governmental organizations specializing in women's issues and disability provided technical assistance, and together with local embassies, were an important source of funding for community centres.

D. Income generation

65. UNRWA's income-generation programme continued to support small-scale and microenterprises within the refugee community by providing capital investment and working capital loans through field-based revolving loan funds, and by providing technical assistance. The programme aimed to create and maintain jobs, generate income for participants, support sustainable enterprises, and encourage the participation of women in economic life. During the reporting period, the capacity of the programme and its range of activities continued to expand.

66. *Gaza field.* In the Gaza Strip, where UNRWA's income-generation efforts were concentrated, business activity was heavily influenced by closures and movement restrictions, which contributed to unemployment, hindered movement of finished goods and raw materials, and increased business costs. Those conditions resulted in a shortage of working capital for many small and microenterprises, which were increasingly faced with trading conditions which dictated that they purchase in cash but sell on credit. The programme continued to target such enterprises in both the formal and informal sectors of the economy, through a range of flexible collateral and guarantee mechanisms, including business plan-based lending and individual-, group- and cheque-guarantee methods, all backed by workable enforcement procedures. Those mechanisms enabled the Agency to lend to target groups at minimal risk, while increasing financial sustainability. Despite a decrease in donor contributions to the Gaza programme the number of loans increased from 4,452 loans valued at $5.4 million in the previous reporting period to 6,193 loans valued at $7.3 million in the current reporting period (see annex I, table 9). Some 53 per cent of borrowers were women. A branch office was established at Khan Younis to serve solidarity group lending (SGL) and microenterprise credit (MEC) clients (see below) in the southern Gaza Strip, reducing transaction costs by reaching business owners near their workplace. The programme continued to increase sustainability despite continued growth in operating expenses.

67. *Small-scale enterprise programme.* The Gaza income-generation programme was composed of four subprogrammes, of which three provided credit to specific target groups and the fourth provided small business training. The small-scale enterprise (SSE) programme, the largest subprogramme, continued to provide working capital and capital investment loans to new and expanding businesses with a view to fostering job creation and promoting import substitution and exports. Since SSEs were among the most vulnerable to the negative economic effects of closures and movement restrictions, the programme saw increased demand for working capital loans, reflecting pressure on cash flows, and decreased demand for capital investment, as local markets contracted and business confidence fell. To meet the changing needs of borrowers, UNRWA adapted its procedures to make working capital loans more easily available. During the reporting period, the SSE programme provided $1.4 million in loans to 123 enterprises, helping to create or maintain 432 jobs. With a capital base of $8 million and an overall recovery rate of 91 per cent, the SSE programme was the largest and most successful non-profit credit programme in the Palestinian territories, and one of the three most successful in the Middle East.

68. *Solidarity group lending programme.* UNRWA's SGL programme continued to provide short-term working capital loans to women working in microenterprises who, because of the size and informal nature of their businesses, had no access to formal credit. Designed to enable Palestinian women to participate in economic life, the programme was of particular relevance in the Gaza economy, where the growth of the informal sector could be seen in the increasing

numbers of home workers, street vendors, itinerant peddlers and open-air markets. While such activities provided only meagre income, in many cases they represented the sole means of support to families where male potential breadwinners were unable to find work. SGL clients were organized into solidarity groups that served as the guarantee mechanism: as long as each member of the group was current in her repayments, all members were eligible for additional loans. As clients established reliable credit histories, they could apply for progressively larger loans. During the reporting period, loans valued at $2.7 million were provided to 3,296 women who supported some 16,310 dependants and were organized into 525 solidarity groups. The overall repayment rate was 98 per cent.

69. *Microenterprise credit programme.* UNRWA's MEC programme continued to provide working capital loans to meet the needs of the estimated 18,000 microenterprises in the Gaza Strip, which employed some 40 per cent of the labour force. The principles governing the programme were similar to those of the SGL programme, except that loans were made available to men and were issued on an individual basis with guarantees provided by post-dated cheques. The MEC programme was the only scheme of its kind in the area and the fastest-growing of the Agency's income-generation activities. The programme was extended beyond Gaza City and the northern Gaza Strip to the Khan Younis and Rafah areas. During the reporting period, the programme provided a total of 2,774 loans valued at $3.1 million. After little more than two years in operation, it was delivering over 300 loans each month, achieving an overall repayment rate of 97 per cent. The SGL and MEC programmes utilized the same capital base, which at 30 June 1998 was valued at $4 million.

70. *Small and microenterprise training programme.* UNRWA's small and microenterprise training (SMET) programme offered 32 training courses during the reporting period, with 392 participants. Training courses were designed to meet the needs of small business owners, including borrowers from the Agency's revolving loan funds, potential entrepreneurs and women enterprise owners, who generally had few other opportunities for business or management training. Courses covered such topics as marketing, business communication, financial management, tax planning, feasibility studies, bidding and tendering, and construction planning. Two new courses, in business administration and managing growing businesses, were added during the reporting period. Participation fees covered approximately 50 per cent of the SMET programme's costs. A series of train-the-trainers courses was held to upgrade the skills of the training contractors engaged by the programme.

71. *West Bank field.* The SSE programme in the West Bank continued to operate at full capacity, issuing 79 loans valued at $1.1 million during the reporting period. In the absence of additional contributions to expand the capital base, the programme relied entirely on revolved principal, limiting possibilities for growth. The SSE programme had a capital base of $1.7 million at mid-1998 and an overall recovery rate of 94 per cent. A MEC programme similar to that at Gaza was launched in the Nablus area in April 1998, and by the close of the reporting period had disbursed 288 loans valued at $243,380. Additional funding was being sought to extend the MEC programme to other areas of the West Bank and reduce its dependence on the Gaza income-generation programme.

72. *Jordan and Lebanon fields.* UNRWA also operated revolving loan funds for small-scale enterprises in Jordan and Lebanon, though on a smaller scale than in the Gaza Strip and the West Bank. In Jordan, the income-generation programme was in abeyance from August 1997 pending conclusion of a more favourable agreement with the local bank. On 30 August 1997, 81 loans valued at $289,038 were outstanding, including two loans valued at $19,774 issued early in the reporting period. IGP staff offered training workshops in business skills for graduates of vocational training centres and WPC training courses. At mid-1998, some 100 loan applications were under review, ahead of the expected reactivation of the programme in August 1998. In Lebanon, the Agency awarded 35 loans valued at $223,500 during the reporting period. At mid-1998, the Jordan and Lebanon programmes had capital bases of $494,208 and $330,000 and overall recovery rates of 96 per cent and 99 per cent, respectively.

E. Peace Implementation Programme

73. *Objectives.* UNRWA's Peace Implementation Programme (PIP) continued to contribute to the quality of life of Palestine refugees with generous support from donors. Launched in October 1993 following the signing of the Declaration of Principles on Interim Self-Government Arrangements, PIP aimed to demonstrate the tangible benefits of the peace process through a comprehensive initiative to develop infrastructure, improve living conditions and create employment opportunities in refugee communities Agency-wide. In its fifth year, PIP remained the main channel for extrabudgetary project funding of activities carried out within the framework of Agency programmes in education, health and relief and social services, as well as income-generation. The infrastructure development component of PIP focused on construction or expansion of

facilities to meet increasing demand for Agency services, maintaining or upgrading existing facilities to an adequate standard, and improving housing and environmental health conditions in camps. PIP also allowed the Agency to meet urgent needs that it might otherwise have been unable to address, and to prevent qualitative deterioration in programmes. The latter aspect was becoming increasingly significant in view of the continuing shortfalls in the regular budget.

74. *Implementation.* During the reporting period, PIP funding enabled UNRWA to complete construction of four schools, 44 additional classrooms, two specialized rooms, one remedial education centre, one vocational training centre workshop, two health centres or points, five WPCs and one CRC. The Agency rehabilitated 463 shelters of special hardship families, and performed comprehensive maintenance on two schools. Work to upgrade facilities was carried out on two vocational and technical training centres, and three health centres were renovated. Projects to improve camp infrastructure and services completed during the reporting period included: connection of an internal sewerage system in one refugee camp and rehabilitation of a water supply system in another camp in Lebanon; construction of two water reservoirs and paving of pathways and drains in three refugee camps in Jordan; construction of an internal sewerage system in one refugee camp in the Syrian Arab Republic; renovation of a wastewater treatment plant at Gaza City, and construction of internal sewerage and road works in two refugee camps in the Gaza Strip; and installation of a new electricity network in one refugee camp in the West Bank. Several other environmental health projects were ongoing at mid-1998, including a major project for eight refugee camps in Lebanon. Additional construction was also under way for the Al-Nour Rehabilitation Centre for the Visually Impaired in the Gaza Strip. Other PIP-funded activities included an after-school recreation programme and provision of textbooks for children of newly arrived refugee families in the Gaza Strip; a slow learners programme in Jordan; and integration of visually impaired children, rehousing of displaced refugees, a slow learners programme, special care for destitute persons, provision of prosthetic devices, and nursing training in Lebanon. PIP also helped to sustain regular Agency programmes through provision of additional hospitalization assistance and medical supplies in Lebanon, funding for additional teacher posts in the West Bank and Gaza Strip and for university scholarships for refugee students, and support for the income-generation programme. Cash expenditure under PIP was $31 million during the reporting period – not including expenditures for the European Gaza Hospital project – accounting for 10 per cent of total Agency expenditure.

75. *Status of funding.* UNRWA received $9.9 million in pledges and contributions for PIP projects during the reporting period, raising the total over the life of the programme from $219.5 million at 30 June 1997 to $229.4 million at 30 June 1998. Of the new funding, $5.1 million was for projects in the education sector, $3.3 million for the health sector, $1.1 million for the relief and social services sector, and $0.4 million for income-generation activities. Projects in the West Bank accounted for $4.4 million of the new funding, with $3.0 million for the Gaza Strip, $1.3 million for Jordan, $1.0 million for Lebanon, $0.1 million for the Syrian Arab Republic, and $0.1 million for Agency-wide activities. A total of 332 projects had been funded since the inception of PIP through 30 June 1998. In view of the marked decrease in pledges and contributions compared to previous reporting periods, as well as financial constraints experienced by major donors and the establishment of new channels of implementation, the Agency assumed that funding for PIP had peaked. The focus of the programme would consequently shift towards completion of funded projects and development of a more targeted fund-raising approach reflecting Agency-wide priorities and continuity in the provision of services.

F. Lebanon Appeal

76. *Objectives.* Most of the 365,000 Palestine refugees registered in Lebanon faced deplorable living conditions and depended almost entirely on UNRWA for basic services. The deteriorating socio-economic situation in the country, combined with the inability of those refugees to gain full access to the job market or to avail themselves of public health facilities, heightened their desperation and misery. Since the resources available to UNRWA were insufficient to cope with the growing needs of the refugee community in Lebanon, the Agency launched a special emergency appeal on 10 July 1997 at Geneva, seeking $11 million in additional contributions to support essential health, education, and relief and social services activities.

77. *Status of funding.* Eight countries and one intergovernmental organization responded generously to the appeal, announcing total pledges of $9.3 million by 30 June 1998. The Agency had received $8.7 million of that amount, and allotted $8.2 million by mid-1998. Of total pledges, $4.6 million was for hospitalization assistance, procurement of medical supplies and other projects in the health sector; $3.8 million was for the construction, equipping and running costs of two secondary schools, and the introduction of new training courses at Siblin training centre; and $0.9 million

was for other activities, mainly shelter rehabilitation. Most of those projects were under way at mid-1998.

Chapter III
Financial matters

A. Fund structure

78. During the period 1 July 1997–30 June 1998, UNRWA received contributions and incurred expenditure against the following headings:

(a) Regular budget:

(i) General Fund;

(ii) Extraordinary measures for Lebanon and the occupied territory (EMLOT);

(b) Projects or extrabudgetary activities:

(i) Peace Implementation Programme (PIP);

(ii) Lebanon Appeal;

(iii) European Gaza Hospital project;

(iv) Move of Agency headquarters to the area of operations;

(v) Expanded Programme of Assistance (EPA).

79. *General Fund.* The General Fund covered all recurrent costs incurred in UNRWA's regular programme, consisting of the Agency's education, health, and relief and social services programmes, as well as all necessary support functions.

80. *Extraordinary measures for Lebanon and the occupied territory.* Established in 1990 to channel emergency assistance to Palestine refugees in areas of special need, EMLOT was phased out during the reporting period (see para. 95).

81. *Peace Implementation Programme.* PIP covered project activities funded under UNRWA's ongoing initiative since 1993 to improve infrastructure and enhance living conditions in refugee communities Agency-wide.

82. *Lebanon Appeal.* The Lebanon Appeal covered urgent operational needs funded in response to UNRWA's July 1997 appeal for increased assistance in 1997–1998 to help alleviate the deplorable socio-economic conditions facing Palestine refugees in Lebanon.

83. *European Gaza Hospital.* The EGH project covered costs incurred by UNRWA in respect of the hospital, including construction, equipping, design, administration and staff costs. Contributions to the EGH project were included in total contributions received under PIP.

84. *Headquarters move.* The move account covered all construction, shipping, staff and other costs incurred in the relocation of UNRWA's Vienna headquarters to Gaza and Amman, completed in July 1996.

85. *Expanded programme of assistance (EPA).* EPA, established in 1988 to improve infrastructure and living conditions in refugee communities, was made redundant with the establishment of PIP.

B. Budget, income and expenditure

86. *Context.* Certain organizational characteristics of UNRWA were particularly relevant to its financial situation, such as: the Agency's role as a direct provider of services to the Palestine refugee population through its own installations and staff; the public sector quality of UNRWA services, including availability to all those meeting the Agency's operational definition of a Palestine refugee; the steady growth in the number of beneficiaries over time owing to natural growth in the refugee population; the Agency's lack of access to revenue sources available to public sectors proper, such as taxation or borrowing, as well as the absence of a system of assessed contributions; and the concomitant reliance of the Agency on voluntary contributions for income.

87. *Budget preparation.* UNRWA prepared its General Fund budgets on a biennial basis, although operations were financed on an annual basis. The budget for the biennium 1998–1999 was prepared on a needs basis in accordance with overall planning assumptions. Consistent with past practice, the administrative and support costs portion of the proposed budget was submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ). ACABQ conveyed its views on that portion to the Agency's Advisory Commission, which reviewed the proposed budget in its entirety at its October 1997 meeting. Subsequently, the Commissioner-General submitted the proposed budget to the General Assembly at its fifty-second session as an addendum to his annual report. The budget was approved by the General Assembly in December 1997.

88. *Regular budget.* The total volume of UNRWA's 1997 regular budget was $351.8 million, of which $312.0 million represented the cash portion and $39.8 million the in-kind portion, mainly donations for the special hardship and the nutrition and supplementary feeding programmes. The total volume of the 1998 regular budget was $342.9 million, of which $314.0 million represented the cash portion and $28.9

million the in-kind portion (see annex I, table 10). There was virtually zero growth in the cash portion of the regular budget between 1997 and 1998.

89. *Income and sources of funding.* Total cash and in-kind income received by UNRWA in 1997 was $317.2 million, of which $270.9 million was for the regular budget and $46.3 million for projects. Voluntary contributions from Governments and the European Community accounted for $296.9 million of total income, or 93.6 per cent (see annex I, table 11). Most of that income was received in cash, although $26.8 million was received in kind, mainly as donations of food commodities. Other United Nations bodies provided $13.6 million (4.3 per cent of total income) to cover staffing costs, including funding of 92 international posts by the United Nations Secretariat and assistance from UNESCO and WHO in the staffing of the education and health programmes. The remaining 2.1 per cent of total income was from miscellaneous sources.

90. *Expenditure and financial results.* Total cash expenditure by UNRWA in 1997 was $281.5 million, of which $252.4 million was for the regular budget and $29.1 million was for projects. The Agency recorded a $1.9 million deficit in the cash portion of the regular budget in 1997, representing the difference between actual cash expenditure of $252.4 million and actual cash income of $250.5 million, despite the wide range of austerity and other cost reduction measures in force and the additional contributions received in late 1997 (see paras. 101 and 104). The Agency finished 1997 with a deficit of $61 million, as compared to the regular cash budget of $312 million for the year.

91. *Working capital.* Working capital, defined as the difference between assets and liabilities in the regular budget for the calendar year, was $0.4 million at 31 December 1997. That level of working capital was dangerously low in relation to the more optimal level of one month's average expenditure, or some $25 million, of which $17 million represented the payroll. The Agency was unable to make progress towards replenishing its working capital during the reporting period owing to its continuing poor financial condition.

92. *Cash position.* Repeated funding shortfalls in previous years had severely eroded UNRWA's cash position – the amount of cash on hand in Agency bank accounts at any point in time that could be used to meet basic obligations. On 31 December 1997, outstanding cash pledges under all accounts amounted to $71.0 million, of which $24.7 million related to the regular budget and $46.3 million to projects. In addition, the Agency had not yet been reimbursed by the Palestinian Authority in respect of payments made against value-added tax and port and related charges, which amounted to $17.7 million at the close of 1997. Those factors exerted further strain on the Agency's cash position, making it especially difficult to meet obligations in time towards the end of the fiscal year.

93. *Biennial financial results.* Based on the closure of accounts for the 1996–1997 biennium, total biennial income under all funds on a cash basis was $633.8 million, of which $531.8 million was for the regular budget and $102.0 million for projects. Total biennial expenditure under all funds was $651.6 million, of which $531.5 million represented expenditure under the regular budget and $120.1 million for projects. Net excess of expenditure over income was $17.8 million, although in many cases expenditure reflected disbursements of earmarked contributions recorded as income in previous biennia. Overall, the Agency could be considered "technically bankrupt" on 31 December 1997 since it would not be able to meet all financial obligations were it to cease operations. Those obligations consisted primarily of cumulative deficits in certain extrabudgetary accounts, amounting to $17.7 million, which the Agency, in the absence of additional contributions and a depleted working capital, would be unable to cover.

94. *Termination indemnities.* The 1996–1997 General Fund budget included a provision in the amount of $12.7 million per year to be set aside towards an estimated $127 million in termination indemnities payable to local staff upon the eventual dissolution of UNRWA. The latter figure was subsequently revised to $121 million to reflect termination indemnities paid to staff in connection with the relocation of Agency headquarters to the area of operations. Accordingly, the termination indemnities provision included in the 1998–1999 budget was in the amount of $12.1 million per year. Owing to financial constraints, the provision was unfunded in both 1996 and 1997, although termination indemnities represented a contingent liability on the Agency.

95. *Extraordinary measures for Lebanon and the occupied territory.* Since the establishment of EMLOT, expenditures for essential ongoing activities budgeted under the account had exceeded income received, resulting in a cumulative deficit of $18.7 million at 31 December 1997. Moreover, the activities funded under EMLOT had gradually been phased out as need for them diminished. In that context and given the likelihood that no additional contributions would be forthcoming, EMLOT was formally discontinued at the end of 1997 and the cumulative deficit subsumed into the General Fund at 31 December 1997. That action, a pragmatic step taken in accordance with the wish expressed at the June 1997 informal meeting of major donors, was an accounting exercise that did not involve transfer of funds held in Agency

bank accounts. Henceforth, EMLOT would no longer appear on the Agency's books.

C. Extrabudgetary activities

96. *Peace Implementation Programme*. The PIP account had a positive balance of $37.2 million at 31 December 1997, representing the difference between actual income of $172.1 million since the programme's inception, and actual expenditure of $134.9 million. Total pledges and contributions under PIP amounted to $219 million, of which $41 million had yet to be received. All contributions under PIP were earmarked for specific project activities to be implemented over varying periods of time. The Agency expected that PIP expenditure in 1998 would be approximately $20 million.

97. *Lebanon Appeal*. The Lebanon Appeal account had a positive balance of $7.8 million at 31 December 1997, representing actual contributions received since the appeal was launched in July 1997. Since those funds generally did not arrive until late in the year no actual expenditures were incurred in 1997. Total pledges under the appeal by 30 June 1998 amounted to $10 million. Taking into account that certain contributions were received in early 1998, the Agency expected to spend $7.5 million in 1998 on activities funded under the appeal. All contributions under the Lebanon Appeal were earmarked for specific project activities to be implemented over varying periods of time.

98. *European Gaza Hospital*. The EGH account had a cumulative deficit of $11.1 million at 31 December 1997, representing the difference between actual expenditure of $54.0 million and actual income of $42.9 million, and taking into account that $4.6 million of income received was for procurement that had not yet begun, in connection with a decision by the hospital project board. Of the cumulative deficit amount, $9.8 million was not covered by pledges, while $1.3 million represented an outstanding commitment. The cumulative deficit had arisen from cost increases and insufficient donor funds provided at particular points in the construction phase of the project. That had obliged the Agency to advance funds from other budget lines against expected pledges to avoid delaying implementation and incurring even costlier penalties. Additional contributions and payment of outstanding pledges were required to offset the cumulative deficit in the hospital account.

99. *Headquarters move*. The headquarters move account had a cumulative deficit of $5.7 million at 31 December 1997, reflecting the difference between actual expenditure of $17.3 million and actual income of $11.6 million. Expenditure exceeded the agreed move budget of $13.5 million owing to higher than expected termination indemnity payments and a cost overrun of $1.8 million for the construction of a new headquarters building, which resulted, *inter alia*, from an accelerated construction schedule and repeated and prolonged closures of the Gaza Strip during construction. The shortfall in funding together with the cost overrun obliged the Agency to advance funds from the General Fund against expected move pledges, to complete the move on schedule. The move account was being retained pending receipt of additional funding to cover the cumulative deficit.

D. Current financial situation

100. *Overview*. UNRWA continued to face a critical financial situation during the reporting period, characterized by large funding shortfalls in the regular budget, continued enforcement of austerity measures, depleted working capital and cash reserves, and cumulative deficits in certain project accounts. The structural deficit – representing the inability of contributions to keep pace with natural growth in the refugee population and inflation, which increased the cost of maintaining a constant level of services – showed no sign of improving. Although the Agency was already operating well below earlier levels, it was only able to avert insolvency in 1997 by introducing additional austerity measures and issuing extraordinary appeals for additional funding to allow services to continue without disruption.

101. *Austerity measures*. UNRWA began the reporting period operating under successive rounds of austerity measures, which had been introduced in response to repeated funding shortfalls since 1993 and carried over from year to year as the Agency's financial situation failed to improve. Those measures, in the amount of $50 million at mid-1997, included: significant reductions in the budget allocations for temporary labour, vehicles, equipment, medical and other supplies, training, maintenance, hospitalization, and travel; non-funding of the provision for salary increases; freezing of certain posts; and non-funding of the provision for termination indemnities. Those measures had reduced estimated cash expenditure in the regular programme for 1997 from the budgeted level of $312 million to $262 million.

102. *Financial situation in mid-1997*. Despite those measures, in mid-1997 expected income against the regular budget was estimated at only $242 million for the year. UNRWA therefore faced a core deficit of $20 million for 1997, representing the difference between expected cash expenditure and expected cash income for the year. Had no

action been taken, the Agency would have become insolvent towards the end of 1997 and would have been forced to cease operations. The deficit problem was accompanied by a severe cash flow problem, which meant, *inter alia*, that the Agency would also have been unable to meet the payroll for its 22,000 employees.

103. *August 1997 measures.* In that context, UNRWA had no alternative but to introduce an additional round of austerity and cost reduction measures, which represented a direct reduction in services, despite assiduous efforts to avert such an outcome. Those measures, announced in August 1997, included a general recruitment freeze; a 15 per cent reduction in international posts; a freeze of the regular budget allocations for shelter rehabilitation, selective cash assistance and university scholarships; a freeze on non-emergency hospitalization services in the last two months of 1997, except for special hardship cases; and introduction of school charges at rates equivalent to those of host authorities.

104. *September 1997 extraordinary meeting.* In view of the gravity of the situation, the Commissioner-General convened an extraordinary meeting of major donors and host authorities at Amman in September 1997. The Agency drew attention to the nature and magnitude of the financial crisis, emphasized the damaging impact on UNRWA's ability to carry out its internationally mandated obligations and appealed for urgent assistance to resolve the immediate funding shortfall. Donors responded generously and rapidly, announcing additional pledges of $21 million for 1997, which enabled the Agency to narrowly avoid insolvency. The Agency was also able to rescind, prior to implementation, the announced measures relating to hospitalization and school charges.

105. *Austerity and cost reduction measures in 1998.* UNRWA began 1998 with depleted working capital, low cash reserves and no indication of a significant increase in overall income. Since expected cash income for 1998 fell far short of the $314.0 million regular budget for the year, the Agency was obliged to carry forward all austerity measures previously implemented, including those announced in August 1997 and not rescinded. Expected cash expenditure was also reduced slightly by other factors, such as managed higher vacancy rates and delayed recruitment of international and local posts in the context of the general recruitment freeze; realization of benefits from previous and ongoing restructuring measures, mainly contract teachers and reduced international staffing; and non-utilization in certain budget lines owing to stricter financial controls.

106. *Financial situation at mid-1998.* Those factors together had the effect of reducing expected 1998 cash expenditure below the $314.0 million level of the General Assembly-approved budget. At 30 June 1998, expected 1998 cash expenditure in the regular programme was $253 million, as compared to expected 1998 cash income of $252 million. Additional contributions were being sought to overcome the estimated core deficit of $1 million. Nevertheless, the Agency's 1998 budget remained only partially funded, and the estimated 1998 budget deficit remained high, at $62 million. Available resources remained insufficient to enable the lifting of any of the austerity and other cost reduction measures previously imposed, which represented non-implementation of certain activities included in the General Assembly-approved budget and thereby had a direct negative effect on programmes. The cash position remained extremely weak, forcing the Agency to live from hand to mouth in terms of balancing incoming funds and outgoing payments. Working capital was for all practical purposes non-existent, making the Agency vulnerable to any change in expected income or expenditure.

Chapter IV
Legal matters

A. Agency staff

107. *Arrest and detention of staff.* The number of UNRWA staff members arrested and detained throughout the area of operations increased from 44 in the previous reporting period to 61 in the current reporting period (see annex I, table 13). Although most staff members were released without charge or trial after relatively short periods of detention, the number of staff members who remained in detention at the close of the reporting period increased from four at 30 June 1997 to nine at 30 June 1998. In the Gaza Strip, a total of 15 staff members were arrested and detained by the Palestinian Authority, compared with 18 in the preceding reporting period. All were detained for relatively short periods. Two staff members were arrested by the Israeli authorities at Rafah terminal, of which one remained in detention in Israel at the close of the reporting period. In the West Bank, the number of staff members arrested and detained by the Palestinian Authority decreased from nine in the preceding reporting period to five in the current reporting period, of whom one remained in detention at 30 June 1998. The number of staff members arrested and detained by the Israeli authorities in the West Bank increased from five in the preceding reporting period to 14 in the current reporting period, of which three remained in detention at 30 June 1998. There was a significant increase in the number of staff members arrested and detained in the Syrian Arab Republic;

12 staff members were arrested and detained and nine subsequently released, up from two in the previous reporting period. Thirteen staff members were arrested and detained in Jordan, compared to six in the preceding reporting period. One remained in detention at 30 June 1998. No staff members were arrested and detained in Lebanon, compared to one in the preceding reporting period.

108. *Functional protection of detained staff.* The Agency was not always provided with adequate and timely information by the relevant authorities as to the reasons for the arrest and detention of its staff members. In the absence of sufficient information, it was not always possible to ascertain whether the staff members' official functions were involved, bearing in mind the rights and duties flowing from the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations and the relevant staff regulations and rules of UNRWA. Consequently, the Agency was unable to fully exercise its right to functional protection of staff members arrested and detained.

109. *Access to detained staff.* UNRWA was for the first time able to obtain access to all Palestinian Authority detention centres in the Gaza Strip to visit detained staff members. However, it was only possible to visit staff detained in the Gaza Strip after long delays, sometimes over a year, particularly at facilities other than Gaza Central Prison. The Palestinian Authority failed to provide information regarding the place of and reasons for detention of staff members in the West Bank. However, in some cases the Agency was able to ascertain the place of detention through informal channels, and was able to visit those detained staff members. In the West Bank, the Agency experienced no significant difficulty in obtaining details about the place of and reasons for detention of staff by the Israeli authorities. However, the Israeli authorities denied the Agency access to detained staff members held in the West Bank until February 1998, when, after representations by the Agency, it became possible to resume visits to all but one of the detained staff members. In the Syrian Arab Republic, the Agency remained unable to visit detained staff members despite continued requests, although information was provided on the whereabouts of most detainees. No visits were made to detained staff members in Jordan.

110. *Treatment and state of health of detained staff.* The treatment and state of health of staff members in detention continued to be of concern to the Agency. The lack of access to detained staff members referred to in the preceding paragraph remained an obstacle to obtaining information on the health of detainees. One staff member detained in the Gaza Strip complained of mistreatment by the Palestinian Authority during detention. The state of health of another staff member detained by the Palestinian Authority and who suffered from kidney problems remained a matter of concern. Overall, there was a decrease in the number of detained staff members who complained of mistreatment by the Palestinian Authority. In the West Bank, two staff members complained of mistreatment during their detention by the Israeli authorities. In Jordan, there were no complaints by staff members in detention of mistreatment by government authorities. In the Syrian Arab Republic, there was one complaint of mistreatment by a detained staff member.

111. *Freedom of movement of West Bank and Gaza staff.* The procedures imposed by the Israeli authorities on security grounds to regulate entry to and exit from the West Bank and Gaza Strip, referred to in previous reports, remained in place during the reporting period. Those procedures, described in greater detail below, included: systems of permits regulating the travel of local staff; checkpoint controls and searches of Agency vehicles; occasional closures of the West Bank and Gaza Strip; occasional imposition of curfews and internal closures; and restrictions on travel across the Allenby Bridge. In September 1997, a new restriction was introduced whereby Palestinians with West Bank or Gaza residency required an additional security clearance to drive a vehicle in Israel (see para. 114). As a result of all those procedures, movement of Agency staff and vehicles was considerably impeded and frequently prevented, with consequent disruption to field and headquarters operations. The restrictions were primarily applicable to local staff, who comprised 99 per cent of all Agency staff in the West Bank and Gaza fields. Constraints on UNRWA operations affected the Agency's ability to conduct its activities in the most efficient manner and were not always consistent with its legal status. In the framework of the 1946 Convention on the Privileges and Immunities of the United Nations, and with reference to the 1967 Comay-Michelmore Agreement, the Agency continued to make representations to the Israeli authorities at all levels in an effort to ease those constraints.

112. *Full closures of the West Bank and Gaza Strip.* Following incidents of violence or as a preventive security measure, the Israeli authorities imposed full closures of the West Bank and/or Gaza Strip on several occasions during the reporting period, lasting for a total of 57 days. In connection with bomb explosions in Jerusalem on 30 July 1997 and 4 September 1997, closures were imposed for 47 days in the period 30 July to 15 September 1997. Moreover, closures of the West Bank and Gaza Strip were imposed as a preventive security measure in connection with Israeli public holidays, accounting for 10 additional days of closure.

The number of closure days was less than in the previous reporting period, particularly in the West Bank, where the figure declined by more than half. During full closures, Palestinians holding West Bank and Gaza Strip identity cards, including Agency staff, were prevented from leaving their area of residence and had their permits revoked without notice. In addition, as a result of incidents involving violence on 14 May 1998, the Rafah and Erez crossings were closed for a few hours.

113. *Internal closures in the West Bank.* Internal closures in the West Bank were imposed on two separate occasions during the reporting period, concurrent with the two full closures imposed following incidents of violence, referred to above. During internal closures, entry to or exit from specific localities was prohibited, affecting movement within the West Bank, in particular between cities and outlying camps and villages. The period of the first internal closure varied from region to region: Bethlehem was closed from 30 July to 28 August 1997; Hebron from 30 July to 14 August 1997; Ramallah and Jericho from 30 July to 13 August 1997; and Nablus from 30 July to 8 August 1997. The second internal closure was imposed on 4 September 1997 at Bethlehem, Jenin, Jericho, Nablus, Qalqilia, Ramallah and Tulkarem, and lifted in all those areas on 14 September 1997. In addition, curfew was imposed on the West Bank village of Asira Shemaliya from 21 September to 7 October 1997. Internal closures and curfews caused substantial disruption to Agency operations in the affected areas.

114. *Permits for local staff.* For Palestinians with local residency, including UNRWA staff, travel between the West Bank and the Gaza Strip, or entry into Israel from either of those areas, continued to be subject to a permit system imposed by the Israeli authorities. Accordingly, the Agency continued to be required to seek standing or specific-use permits for its local staff as required in the performance of their duties. A significant proportion of applications for standing or specific-use permits for Agency local staff were rejected by the Israeli authorities on unspecified security grounds, although concurrent with the absence of full closures in the last nine months of the reporting period, there was a decrease in rejections of specific-use permits for Gaza staff. The number of standing permits granted to Agency staff based at Gaza increased from 15 at 30 June 1997 to 34 at 30 June 1998. By contrast, the number of standing permits granted to Agency staff based in the West Bank decreased from 320 at 30 June 1997 to 270 at 30 June 1998. In September 1997, and without prior consultation, an explicit prohibition to drive a vehicle in Israel was introduced on all permits issued to Palestinians with West Bank or Gaza residency, including Agency staff. A separate security clearance was thenceforth required to allow Agency staff with such residency to drive Agency vehicles in Israel. Despite requests for an exemption for UNRWA staff, the driving restriction remained in place at the close of the reporting period and driving permits were issued only in limited numbers. The Agency was discussing the matter with the Israeli authorities; meanwhile, in practice the prohibition was not being strictly enforced. In early 1998, it became possible to obtain permits for local staff from the West Bank field to travel to the Gaza Strip, which had not hitherto been possible. The permit system, by its nature, complicated and impeded the movement of Agency staff, gave rise to unpredictability, and imposed a cumbersome administrative burden on the Agency, which as a consequence had to maintain an extra administrative apparatus to obtain and renew permits of limited validity for several hundred of its staff.

115. *Entry to Jerusalem.* The majority of standing permits held by UNRWA local staff were held by staff with West Bank residency to enable them to reach their workplace at Agency facilities located at Jerusalem, in particular the West Bank field office, as well as eight schools and two health centres. Following the imposition of the 30 July 1997 and 4 September 1997 closures, all permits held by local staff were revoked and subsequently had to be reapplied for and reissued. Attendance of staff at Jerusalem-area facilities was consequently affected, particularly at the field office, where two thirds of local staff held West Bank residency.

116. *Erez checkpoint.* Almost all UNRWA vehicles continued to be subjected to internal and external searches upon every exit from the Gaza Strip through the Erez checkpoint, the principal point of transit between the Gaza Strip and Israel. Search procedures were applied to all vehicles driven by international and local staff, with the exception of those carrying staff members with diplomatic status, who numbered seven out of some 67 international staff stationed at Gaza during the reporting period. Although the Agency had in March 1996 exceptionally agreed to permit the survey of Agency vehicles driven by international staff exiting the Gaza Strip as a pragmatic and temporary measure in consideration of Israeli security concerns, search procedures at Erez remained in force at the same level throughout the reporting period. The special lane at Erez for VIPs and international organizations and the magnetic cards issued by the Israeli authorities, both aimed at expediting crossings, did not simplify or speed up the search procedures, which continued to result in time-consuming delays for Agency staff. Representations were made by the Agency to the Israeli authorities objecting to the

cumbersome searches and to the practical impediments to which they gave rise.

117. *Allenby Bridge*. There continued to be lengthy delays and search procedures at the Allenby Bridge for local and international staff with West Bank or Gaza residency upon entry from Jordan. Towards the end of the reporting period, specific delays were caused by lengthy random searches and checks carried out by Israeli customs officials at the bridge. The Israeli authorities continued to prevent local staff from travelling in UNRWA courier vehicles inside the confines of the bridge complex, and to restrict the days of the week and hours of the day that such staff could cross the Allenby Bridge from Jordan to the West Bank in transit to the Gaza Strip. On both of those issues, representations were made to the relevant Israeli and Palestinian authorities. All staff members travelling on duty across the Allenby Bridge to Jordan, except those with diplomatic visas, continued to be required to pay a tax to the Israeli authorities, characterized as a fee for use of the bridge. Furthermore, local staff travelling to Jordan were required to pay an additional tax, ostensibly a fee for an exit permit, to the Israeli or the Palestinian authorities, depending on the staff member's place of residency. The Agency protested the continued collection of those taxes as a violation of the 1946 Convention on the Privileges and Immunities of the United Nations. The Israeli authorities advised UNRWA that a decision in principle had been taken to grant exemptions to the Agency in respect of the exit tax at the Allenby Bridge and Rafah terminal. A provisional arrangement was put in place exempting a small group of senior UNRWA staff who frequently needed to cross the Allenby Bridge on official business. As regards the arrangements being finalized for implementation of exemptions from the exit tax, the Agency reiterated that it was entitled to a general exemption consistent with the 1946 Convention, and that it could only accept an arrangement that would not limit its operations. The Agency remained limited in the number of vehicles it could use to transport international staff across the Allenby Bridge, and in addition was required to provide a 24-hour pre-notification for each crossing of an international staff member who did not possess the special crossing card. UNRWA vehicles registered in Jordan with a diplomatic license plate were denied access by the Israeli authorities to cross the Allenby Bridge from Jordan, although similarly registered vehicles belonging to other international organizations appeared to face no such impediment. The Agency was therefore limited to using vehicles registered in the Gaza Strip or the West Bank for routine bridge crossings. Towards the end of the reporting period, the Israeli authorities granted a long-standing request to issue permits to two local drivers to approach the Allenby Bridge terminal.

118. *International drivers*. Restrictions on the movement of local staff into and out of the Gaza Strip and to the Allenby Bridge and Ben Gurion Airport continued to require UNRWA to employ extra international staff as drivers to maintain effective pouch and courier services for its Gaza headquarters and field operations. The Agency incurred significant additional costs in respect of the five international drivers so employed, as compared to the cost of similar local posts. A long-standing request for an additional airport permit, required to collect the diplomatic pouch, was granted to an international driver during the reporting period, bringing the total of such permits held to two.

119. *International staff with local residency*. UNRWA international staff members holding Jerusalem, West Bank or Gaza identity cards continued to be refused service visas by the Israeli authorities, and required permits for travel between the West Bank, the Gaza Strip and Israel. One of those staff members was refused a permit by the Israeli authorities on several occasions during the reporting period on the basis of unspecified security considerations. The Agency made repeated representations that as a matter of principle, all international staff should be accorded equal treatment.

B. Agency services and premises

120. *Provision of services*. In view of the extent of UNRWA operations and the large number of local staff employed, the ability of the Agency to conduct its activities effectively in the West Bank and Gaza Strip continued to be adversely affected by the restrictions on the movement of Agency staff and vehicles imposed by the Israeli authorities on security grounds. The range of constraints impeded the provision of services and gave rise to delays, inefficiencies and additional costs. Effects on operations included: delays and additional costs in project implementation; inability of staff to reach their workplace at Agency schools, training centres, health centres, administration offices etc.; inability of refugee beneficiaries to reach Agency installations; inability of Gaza students to attend West Bank training centres (see para. 209); delays in the transport of supplies between the West Bank and the Gaza Strip and within the West Bank; and the inability of senior local staff in the West Bank to visit their counterparts in Gaza for official duties and vice versa (see also paras. 190 and 194).

121. *Functioning of headquarters.* The effective functioning of UNRWA headquarters at Gaza continued to be negatively affected by Israeli security-related measures. The unrestricted movement of persons and goods, essential to the managing and coordinating role of a headquarters, was not always possible. Restrictions on travel through the Erez checkpoint and the Allenby Bridge caused particular difficulties in that regard.

122. *Import of goods.* The delays experienced by UNRWA in importing supplies and other materials decreased following a change in procedure for the entry of trucks into the Gaza Strip. Until October 1997, local staff with West Bank or Jerusalem residency were prohibited from driving Agency trucks into the Gaza Strip unless accompanied by an international staff member. As a result, the Agency either had to send trucks from the Gaza Strip to the West Bank to pick up goods, or Gaza drivers had to be substituted at the Erez checkpoint. After October 1997, the Israeli authorities permitted such journeys upon receipt of 24 hours' notice and after security clearance.

123. *Legal advice and assistance.* UNRWA continued to provide legal advice and assistance, in particular for refugees applying for family reunification to the Gaza Strip. The Agency also responded to a large number of requests for confirmation of refugee status from registered refugees and from governmental and non-governmental organizations worldwide. Three scholarships were financed for the master of arts programme in law at Bir Zeit University in the West Bank.

124. *Incursions into installations.* There was a disturbing increase in the number of incursions into UNRWA premises during the reporting period, particularly in the West Bank. In connection with alleged disturbances, Israeli authorities entered Agency installations in the West Bank on eight occasions, as compared to only four such incursions in the previous reporting period. In addition, Israeli authorities fired explosive devices into Agency installations in the West Bank on 11 occasions. In each instance, a formal protest was made by the Agency. In March 1998, unidentified Palestinians threatened violence against the head teacher of an UNRWA school in the West Bank if the Palestinian flag was not raised over the installation. Later, those or other persons replaced the United Nations flag with the Palestinian flag. The incident was reported to the Palestinian Authority and appropriate action taken. In the Gaza Strip, a joint Israeli-Palestinian patrol searched one school. No incursions were reported in Jordan, Lebanon or the Syrian Arab Republic.

125. *Inspections of goods.* The Palestinian authorities, asserting concerns over the quality of flour, interfered with the timely distribution by UNRWA of flour rations in the West Bank field on several occasions in August and September 1997. Following strong protests by the Agency, distribution proceeded normally for the rest of the reporting period. In June 1998, a consignment of 26 containers of UNRWA flour was unduly detained for 24 hours by Palestinian Authority customs officials at the Erez checkpoint. The consignment was released after intervention by UNRWA at the highest levels within the Palestinian Authority.

126. *Diesel tax.* The Agency submitted a formal protest to the Syrian authorities in connection with the levying of a charge payable as a precondition for the yearly registration of those diesel vehicles first registered on or after 1 January 1990, which in the view of the Agency constituted a direct tax within the meaning of the 1946 Convention on the Privileges and Immunities of the United Nations. Under the Convention, UNRWA is exempt from such taxes.

127. *Construction of facilities.* Efforts continued with a view to facilitating early resumption of the construction of an urgently needed school building in the West Bank village of Beit Surik.

128. *Initiation of criminal proceedings.* UNRWA continued to liaise with the Israeli and Palestinian authorities with regard to the criminal proceedings requested by the Agency against a former staff member in a case of misappropriation of funds from the Agency's scheme of hospitalization subsidies for Palestine refugees in the West Bank.

129. *Immunity from legal process.* Following legal proceedings initiated by the Israeli authorities against an UNRWA driver involved in a traffic accident while on duty, the Agency asserted the immunity from jurisdiction of its staff members in respect of official acts performed on behalf of the Agency, and requested the Israeli authorities to take all necessary steps to ensure that its privileges and immunities were upheld. The matter continued to be pursued by the Agency.

130. *Reimbursement of value-added tax and other charges.* By the close of the reporting period, UNRWA had not yet been reimbursed by the Palestinian Authority in respect of either value-added tax or port and related charges for supplies destined fo the West Bank and Gaza Strip, outstanding since October 1995 and claimed from the Palestinian Authority in accordance with the provisions of the 24 June 1994 exchange of letters between the Commissioner-General of UNRWA and the Chairman of the Palestine Liberation Organization. The total amounts outstanding at 30 June 1998 were $15.7 million in respect

of value-added tax and $3.3 million in respect of port and related charges.

C. Claims against Governments

131. UNRWA regretted that no progress was made with regard to its various claims against Governments.

Chapter V
Jordan

A. Education

132. *Elementary and preparatory schooling.* The 198 UNRWA schools in Jordan accommodated 143,207 pupils in the six-year elementary cycle and four-year preparatory cycle in the 1997/1998 school year, a decrease of 2,426 pupils (1.7 per cent) compared with the previous school year. The drop in enrolment, for the fourth consecutive year, resulted from movement of refugee families from Jordan to the West Bank and Gaza Strip, and the transfer of refugee pupils from UNRWA to government schools. Government schools offered a shorter school week (five days as compared to six in UNRWA schools), a far lower rate of double shifting (less than seven per cent as compared to 93 per cent in UNRWA schools), and smaller classroom sizes (an average of 30 pupils/class as compared to 41 in UNRWA schools).

133. *Education infrastructure.* The poor condition of many UNRWA school premises in Jordan continued to be of concern to the Agency in its efforts to provide a satisfactory learning environment for refugee pupils. Of note were the 33 school buildings built in the 1950s and 1960s, and the 24 unsatisfactory rented buildings, which together accounted for 54 per cent of the 106 school premises used by the Agency in the field. After receipt of project funding to replace the six older Agency schools at Irbid and Ashrafieh that had been declared unfit for use in the previous reporting period, construction work commenced on two school buildings that would replace the five unfit premises at Irbid camp. With project funding, construction was also completed on five classrooms, five toilet blocks, three water reservoirs, and one science laboratory, and three schools received comprehensive maintenance. The Agency continued to seek funding to replace two unsound rented premises at Wadi el-Rayyan, and to build and equip computer rooms in schools to meet the Jordanian curriculum's computer science requirement for the tenth grade. Despite generous contributions received during the reporting period, 90 per cent of tenth-grade pupils still had to utilize drastically underequipped computer rooms.

134. *Special education.* The special education programme in Jordan, funded through project contributions, continued to provide children with special needs or learning difficulties with opportunities to participate in the mainstream education programme in the lower elementary cycle. During the 1997/1998 school year, the programme benefited 800 slow learners, 560 children with learning difficulties and 24 deaf pupils. Regarded as a model initiative in Jordan, the programme required additional project funding to continue beyond December 1998, when existing funds would be exhausted.

135. *Vocational and technical training.* A total of 1,225 trainees, including 477 women and 363 boarding students, were accommodated in 16 trade courses and 12 technical/semi-professional courses at Amman training centre and Wadi Seer training centre during the 1997/1998 school year. In cooperation with a non-governmental organization, three short-term vocational training courses of 17 weeks' duration were offered to 63 trainees at Wadi Seer training centre, in electrical wiring, auto electrical systems and building decoration. Technical/semi-professional trainees maintained excellent results in the comprehensive examinations for community colleges administered by the Jordanian Ministry of Higher Education in July 1997, attaining pass rates of 97 per cent at Amman training centre and 92 per cent at Wadi Seer Training Centre, as compared to national averages in corresponding subjects of 75 per cent and 66 per cent, respectively.

136. *Educational sciences faculty.* The ESF at Amman training centre provided in-service training to 644 UNRWA teachers, including 212 women, and pre-service teacher education to 347 secondary-school graduates, including 292 women. During the reporting period, 177 teachers graduated from the in-service programme in August 1997 and one student from the pre-service programme in July 1997, all of whom were awarded an accredited bachelor's degree in education.

137. *University scholarships.* University scholarships were awarded to 267 Palestine refugee students from Jordan, including 100 women, who had excelled in their general secondary examinations.

B. Health

138. *Primary care.* UNRWA health-care services for Palestine refugees in Jordan were delivered through 13 health centres, four health points and six MCH centres, all

of which provided family planning services. Of those facilities, 21 contained laboratories, 17 provided special care for non-communicable diseases, and one operated radiology and physiotherapy units. Dental care was offered at 17 facilities, in addition to three mobile dental units that provided school and community oral health care. Specialist care comprising gynaecology and obstetrics, internal medicine, cardiology and ophthalmology was provided through a weekly rotating schedule whereby pre-screened patients were referred by medical officers for further assessment and management by specialists. Many refugees in Jordan availed themselves of more easily accessible government health-care services.

139. *Secondary care.* In Jordan, assistance towards secondary care was provided entirely through a reimbursement scheme which partially covered medical expenses incurred by refugees for treatment at government hospitals. Expenditure on the reimbursement scheme fell to unprecedented levels, owing to the low rates charged at government hospitals and discontinuation of reimbursement for treatment at private hospitals as of August 1996.

140. *De-worming campaign.* Owing to difficult socio-economic conditions in refugee camps, where overcrowding was commonplace, sanitary facilities often insufficient, and rates of intestinal infestation high, UNRWA implemented a de-worming campaign in April 1998 based on the WHO single-dose strategy, with support from UNICEF. A total of 131,781 children were treated in the campaign, which was conducted at all Agency schools in Jordan.

141. *Cooperation with Jordanian Government.* The long-standing cooperation between UNRWA and the Jordanian Ministry of Health continued to cover a wide range of public health activities, including immunization, family health, surveillance of communicable diseases, development of human resources for health, quality assurance of essential drugs, participation in national health surveys and in-kind donation of hepatitis B vaccine. In recognition of UNRWA's role in providing health care to Palestine refugees, the second round of national immunization days against poliomyelitis in spring 1998 was inaugurated at the Nuzha MCH centre, and the Agency's contributions in family health and dental care were officially acknowledged.

142. *Health infrastructure.* Work was completed on projects to expand the Amman New Camp health centre and Msheirfeh MCH centre, to replace Zarqa health centre and the physiotherapy unit at Baqa'a health centre, and to construct a new compound at Waqqas accommodating a health centre, WPC and CRC. Work commenced on a project to replace the central field pharmacy and upgrade its cold-storage facilities. The Agency was seeking funds for rehabilitation and major renovation of Amman polyclinic and Jabal el-Hussein health centre, and for replacement of three unsatisfactory rented health points in the Jordan Valley. With project funding, the Agency was able to upgrade or replace unsatisfactory equipment at all its primary health-care facilities in Jordan.

143. *Environmental health.* The final phase of a project for construction of pathways and drains in Husn camp was completed. Implementation continued on the third phase of another pathways and drains project valued at $1 million covering Amman New, Baqa'a, Jabal el-Hussein, Marka, Talbieh and Zarqa camps. Similar projects were implemented jointly with the Department of Palestinian Affairs and camp committees in Amman New, Baqa'a, Irbid and Zarqa camps. The Agency conducted a detailed feasibility study of mechanization of garbage collection and disposal in refugee camps in Jordan, on which basis a project proposal was being prepared. If funded, the project would improve solid waste management while reducing recurrent costs, allowing the initial capital investment to be recouped in under three years. The Jordanian Water Authority completed construction of a sewerage system in Souf camp that would subsequently be connected to a nearby municipal system, bringing the number of refugee camps in Jordan connected to main municipal/regional sewerage networks to 7 out of 10.

C. Relief and social services

144. *Refugee registration.* On 30 June 1998, the number of Palestine refugees registered with UNRWA in Jordan stood at 1.46 million, an increase of 3.5 per cent over the 30 June 1997 figure of 1.41 million. The rate of increase approximated estimated population growth. The refugee community in Jordan was the largest of any field, accounting for 41.6 per cent of all registered refugees.

145. *Special hardship programme.* Jordan continued to have the lowest percentage of refugees enrolled in the SHC programme – 2.6 per cent, as compared to an Agency-wide average of 5.6 per cent. The low percentage resulted from the relatively favourable living conditions of refugees in Jordan and the services to which they were entitled by virtue of Jordanian citizenship, as well as the continued application of strict Agency eligibility criteria. There was a 6.0 per cent increase in the number of SHCs registered in Jordan, from 35,427 at 30 June 1997 to 37,542 at 30 June 1998.

146. *Shelter rehabilitation.* Following the freeze on the regular budget allocation for shelter rehabilitation, UNRWA

rehabilitated the shelters of four SHC families during the reporting period with project funding.

147. *Poverty alleviation.* Twenty-nine SHC families who had established micro-enterprises with financial and technical assistance from UNRWA achieved a regular income sufficient to lift them off the Agency 's ration rolls. With project funding and assistance from a non-governmental organization, the six group-guaranteed savings and loan schemes established in refugee camps funded 22 income-generation projects with loans totalling $20,830 during the reporting period, benefiting 16 women and six men. The agreement with the local bank was renegotiated to allow more favourable interest rates for community lending activities, thereby contributing to self-sustainability.

148. *Women-in-development.* All 21 WPCs in Jordan were under full community management, had adopted by-laws and ran kindergartens/nurseries. With revenues from income-generation projects and fees for training and other activities, four WPCs (in Amman New Camp, Aqaba, Jabal el-Hussein and Zarqa) achieved sufficient income during the reporting period to remain independent of UNRWA's financial support. UNRWA offered training in self-management skills to members of local committees and Agency staff to help the centres achieve self-sustainability. The wool-spinning enterprise at the Jerash WPC continued to operate successfully, providing an income to 70 women. The legal advisory bureaus at the Amman New Camp and Jabal el-Hussein WPCs handled some 800 consultations and offered 25 legal assistance lectures in which some 1,000 women participated. The two bureaus, staffed entirely by volunteers, cooperated closely with the Jordanian Women's Union and local non-governmental organizations. The local lawyers associated with the bureaus participated in a workshop on what are referred to as crimes of honour.

149. *Community rehabilitation.* In August 1997, a technical review of CRC services in Jordan was conducted jointly by UNRWA, an international non-governmental organization and a local non-governmental organization. The review recommended reorienting the programme to transform the CRCs into local referral centres while strengthening community-based services. A training programme reflecting the new approach was initiated in December 1997 for CRC volunteers, rehabilitation workers and UNRWA staff, and a pilot project begun at the Jerash CRC. In August 1997, the Marka CRC launched a child disability prevention campaign, due to run until late 1998, accompanied by a programme to train mothers of disabled pre-school children. In April 1998, a programme for blind and low-vision children was introduced at the Amman New Camp, Marka and Talbieh CRCs, in cooperation with an international non-governmental organization. A joint project for care of children with severe mental disabilities was introduced at the Amman New Camp and Baqa'a CRCs in cooperation with an international non-governmental organization. By the close of the reporting period, all nine CRCs in Jordan had adopted by-laws and were under full community management.

150. *Waqqas compound.* In May 1998, a comprehensive UNRWA service compound was inaugurated at Waqqas, in the Jordan Valley, where more than 18,000 registered refugees lived. Built with project funding on a site provided by the Government of Jordan, the compound – which accommodated a WPC, a CRC, a health point, a kindergarten and a nursery – was the largest community centre in the area. Besides enhancing the quality of services, the project was the first of its kind in terms of making a variety of services available at one location.

Chapter VI
Lebanon

A. Education

151. *Elementary and preparatory schooling.* The 73 UNRWA pre-secondary schools in Lebanon accommodated 38,476 pupils in the 1997/1998 school year for the six-year elementary cycle and four-year preparatory cycle. Enrolment increased by 840 pupils over the previous year, or 2.2 per cent, owing to natural growth in the refugee population as well as the transfer of some refugee children from tuition-based private schools to free Agency schools. In the annual Brevet examination for students at the fourth preparatory level, held in July 1997, Agency pupils attained a pass rate of 53 per cent, the second consecutive year in which pass rates had declined. The decline could be attributed to the cumulative effect of austerity measures in place since 1993, which resulted in overcrowded classrooms, relatively low salaries, and difficulty in recruiting and retaining high-calibre teachers.

152. *Secondary schooling.* Lebanon remained the only field in which UNRWA offered secondary education, as a result of limited access of Palestine refugees to government schools and the prohibitively high cost of private schools. Another secondary school established with a project contribution opened in September 1997 at Ein el-Hilweh camp, complementing the existing Agency secondary school at Burj el-Barajneh camp. The Ein el-Hilweh school was housed in temporary premises, pending completion of a new building. The two schools accommodated a total of 649

pupils in grades 11 to 13 during the 1997/1998 school year, of which the 316 students at the Ein el-Hilweh school were all in grade 11. The second group of 58 graduates from the Burj el-Barajneh school was awarded an accredited baccalaureate II certificate in August 1997, having obtained a pass rate of 82 per cent in the general secondary examination, an increase of 15 per cent over the previous year. The Agency obtained project funding for the construction, equipping and initial operating costs of a third secondary school, at Rashidieh camp, which would also replace an existing unaccredited school.

153. *Education infrastructure.* UNRWA remained concerned at the poor quality of school premises in the Lebanon field, which had the highest percentage of schools accommodated in unsatisfactory rented premises (41.3 per cent) and one of the highest classroom occupancy rates Agency-wide (43.8 pupils/class in Agency-built schools). With project funding, the Agency completed construction of two school buildings and eight additional classrooms, and comprehensive maintenance on four school buildings. Six more classrooms were under construction at mid-1998. UNRWA continued to seek funding to replace rented premises with Agency-standard buildings (see para. 26), but owing to restrictions on construction outside refugee camps, was also looking at renting better premises at cheaper rates.

154. *Special education.* The special education programme in Lebanon, funded through project contributions, continued to provide children with learning difficulties the opportunity to participate in the Agency's mainstream education programme. Three special education centres at the Ein el-Hilweh, Beddawi and Nahr el-Bared school compounds accommodated 184 children with learning difficulties in the 1997/1998 school year.

155. *Vocational and technical education.* The Siblin training centre provided vocational and technical training to 594 trainees, of whom 121 were women and 206 boarding students, in 13 trade courses and seven technical/semi-professional courses. A survey of the centre's 1996 graduates revealed that 80 per cent were employed by 1997 despite the problems facing Palestine refugees in securing employment in Lebanon. Equipment in three of the centre's workshops was upgraded during the reporting period with project funding, and funding was obtained for several projects to improve the centre's facilities and services. The Agency also sponsored, with project funding, 25 Palestine refugee students in a nursing course at a private college at Beirut.

156. *Pre-service teacher training.* Owing to difficulties in recruiting elementary teachers with the required qualification of a two-year post-secondary teacher training diploma, UNRWA reinstated a two-year pre-service teacher training course at Siblin training centre, which had last been offered in 1982. The course commenced in October 1997, with an enrolment of 54 students in two class sections, with another two sections to be added in 1998/1999. Utilizing a curriculum designed by UNRWA, students would graduate from the course with an accredited diploma in classroom teaching in the lower elementary cycle.

157. *Kindergartens.* The four French-language kindergartens funded through a project contribution continued to operate, with an enrolment of 256 children in the 1997/1998 school year.

158. *University scholarships.* University scholarships were awarded to 124 Palestine refugee students from Lebanon, including 44 women, who had excelled in their general secondary examinations. The number of scholarships offered increased by 13 over the previous year, as a result of a reduction in the amount of the annual award from $750–$1,250 in 1996/1997 to $400-$1,000 in 1997/1998.

B. Health

159. *Primary care.* UNRWA remained the main provider of health care for the 365,000 refugees registered in Lebanon. Access to public sector health services was restricted by a public health infrastructure that was still developing, and refugees were for the most part unable to afford the high cost of private care. Agency services were provided through 18 health centres and six health points offering comprehensive medical care, including family health services, as well as one MCH centre. Of those facilities, 24 offered special care for management of diabetes mellitus and hypertension, 17 provided dental care, 15 contained laboratories, three had X-ray facilities and 15 offered specialist care in cardiology, obstetrics and gynaecology, paediatrics, ophthalmology and treatment of ear, nose and throat diseases.

160. *Secondary care.* Hospital care was provided to refugees in Lebanon through contractual agreements with 13 private general, mental and tuberculosis hospitals. Steadily rising costs and the wide gap between the minimum needs of the refugee population and UNRWA's available resources made provision of sufficient hospital care a priority health concern in the field. Extrabudgetary contributions under the Lebanon Appeal (see para. 76) made it possible to maintain hospitalization services and cover the cost of additional medical supplies in 1997 and 1998. With project funding, the Agency also provided assistance towards the cost of hospital deliveries for pregnant women

at risk. The heavy reliance on extrabudgetary funding for hospitalization in Lebanon made continuation of extrabudgetary support essential to avoid reduction in service standards. Owing to especially difficult socio-economic conditions, refugees in Lebanon remained exempt from the co-payment system in place in other fields, although co-payments were required for specialized life-saving treatment.

161. *Health infrastructure.* Construction of a polyclinic in Beirut commenced in May 1998, after a funding shortfall had been covered. Plans were drawn up for replacement of the unsatisfactory health centre in Rashidieh camp with project funding.

162. *Cooperation with Lebanese Government.* UNRWA participated in the national immunization days for eradication of poliomyelitis in Lebanon in accordance with the WHO regional strategy, using vaccines donated by UNICEF. Through a special agreement with local authorities, Dbayeh camp was connected to the greater Beirut municipal water system. Agreement was also reached on final garbage disposal from two camps in the central Lebanon area and use of the municipal dump in the Tyre area. Negotiations were under way with local authorities to coordinate projects for improvement of camp water and sewerage infrastructure.

163. *Environmental health infrastructure.* The construction phase of the 8.6 million European currency units project to improve sewerage, drainage and water supply systems in eight refugee camps in Lebanon commenced. Following review by donor consultants of the detailed feasibility studies and technical designs prepared in the previous reporting period, the Agency began the process of pre-qualification of contractors with the experience required to undertake the projected works. The first camps to be addressed would be Nahr el-Bared, Mieh Mieh and Burj el-Shemali. As part of a separate project to improve solid waste management in all camps in Lebanon, procurement of capital equipment, including compactor trucks, dumpers and matching containers, was under way.

C. Relief and social services

164. *Refugee registration.* At 30 June 1998, the number of Palestine refugees registered with UNRWA in Lebanon stood at 364,551, an increase of 1.5 per cent over the 30 June 1997 figure of 359,005. The low rate of increase, well below the rate of natural population growth, could be attributed to socio-economic difficulties, which delayed marriage and thereby lowered birth rates, combined with the high proportion of refugees living outside the country and hence unable to register new family members.

165. *Special hardship programme.* Lebanon continued to have the highest proportion of refugees enrolled in the SHC programme of any field (10.3 per cent), reflecting the extreme socio-economic difficulties facing the refugee community. The number of SHCs in Lebanon increased by 3.2 per cent, from 36,511 on 30 June 1997 to 37,669 on 30 June 1998. In January 1998, food support began to be issued to SHC families in Lebanon both in cash and in kind (see para. 57), consistent with the practice in other fields. However, because of the particular needs of refugees in Lebanon, SHCs received a larger in-kind ration than did SHCs elsewhere.

166. *Shelter rehabilitation.* Funding was received under the Lebanon Appeal to rehabilitate shelters for 60 SHC families in the North Lebanon, Saida and Tyre areas. With extrabudgetary funding, UNRWA completed construction in December 1997 on a project at Beddawi camp to accommodate 55 displaced and impoverished refugee families, comprising 287 persons, who had been squatting in shacks in an UNRWA school compound. Preparations were under way for the fourth phase of the project, accommodating another 21 families comprising 91 persons, which was funded under the Lebanon Appeal. In addition, another four shelters of SHC families were rehabilitated during the reporting period.

167. *Poverty alleviation.* Soft loans averaging $4,000 were provided to 23 SHC families to establish microenterprises, while four families were able to attain an income sufficient to be removed from the SHC rolls by mid-1998. Mini-loans ranging from $500 to $3,000 were awarded from a revolving loan fund to 37 SHC families near the poverty line, to enable them to become economically self-sufficient.

168. *Women in development.* In cooperation with local and international non-governmental organizations, UNRWA offered training in self-management skills to volunteers at the nine WPCs in Lebanon, all of which were under full community management with elected committees. The WPCs offered 12 fee-based short courses benefiting 1,987 women, aimed at providing participants with marketable skills. Lectures and workshops were organized to raise women's awareness on legal, social and gender issues and educate them on health-related matters, such as child spacing, AIDS prevention and environmental awareness.

169. *Community rehabilitation.* UNRWA participated in the establishment of a forum bringing together all non-governmental providers of services to disabled Palestine refugees in the Beirut area. The forum – which issued a

special card to all disabled refugees enabling them to benefit from the services of participating organizations – provided a network through which UNRWA could more easily provide assistance to needy persons. In the absence of adequate community-based rehabilitation services in some refugee camps, UNRWA continued to sponsor 51 disabled children at specialized institutions, with another 38 being cared for at the Nahr el-Bared CRC. With project funding, construction commenced on a two-storey building in Nahr el-Bared camp to accommodate the camp's CRC and a youth centre, both of which would be managed by locally elected committees, with support from UNRWA and non-governmental organizations. The Agency assisted two rehabilitation workers and one CRC manager to participate in a training course in community-based rehabilitation techniques offered by a local non-governmental organization.

Chapter VII
Syrian Arab Republic

A. Education

170. *Elementary and preparatory schooling.* UNRWA schools in the Syrian Arab Republic accommodated 64,050 pupils in the six-year elementary cycle and three-year preparatory cycle in the 1997/1998 school year. Enrolment remained stable, increasing by just 71 pupils (0.1 per cent) over the previous school year, owing to lower population growth, stricter control over admission, and drop-outs. One school at Damascus was phased out owing to the move of refugees from the vicinity of the school to Yarmouk camp, reducing the number of schools in the field to 109. In the mid-1997 annual government examination for the third preparatory grade, pupils in Agency schools attained a pass rate of 90 per cent, as compared to an average of 57 per cent in government schools. A comprehensive evaluation system for the performance of teachers and other education staff, as well as use of diagnostic and achievement tests and remedial and co-curricular activities, contributed to the high performance of Agency pupils.

171. *Education infrastructure.* With project funding, UNRWA completed construction of 29 classrooms to replace unsafe classes and avoid triple shifting, as well as two specialized rooms. After delays in previous reporting periods, the project for a new school building at El-Mezzeh to replace unsatisfactory rented premises commenced, and construction was nearing completion by mid-1998. The Agency continued efforts to obtain plots of land and project funding to replace the eight rented premises in the Syria field, which accommodated 9 per cent of the field's schools.

172. *Vocational and technical training.* The Damascus training centre accommodated 818 trainees, of whom 158 were women and 177 boarding students, in 13 trade courses and seven technical/semi-professional courses. With project funding, upgrading and equipping of workshops in diesel mechanics, general electrical installations, radio and television, and electronics were completed. To meet local labour market demand, plans were under way to enhance the electronics course to cover electronic control and computer applications, beginning in 1998/1999.

173. *University scholarships.* University scholarships were awarded to 254 Palestine refugee students from Syria, including 87 women, who had excelled in their general secondary examinations.

B. Health

174. *Primary care.* Health-care services were provided to Palestine refugees in the Syrian Arab Republic through the Agency's network of 23 health centres, all of which provided comprehensive medical care, including MCH care and family planning services and special care for diabetes mellitus and hypertension. Nineteen of those facilities accommodated laboratories and 12 offered dental care services supported by school oral health services provided through a mobile dental unit.

175. *Secondary care.* Hospital services were provided through contractual agreements with eight private hospitals based on official government rates. Strict control measures on referrals and duration of stay remained in force following the rise in government rates in November 1996, although budget allocations for 1997 and 1998 also had to be increased to maintain the level of services.

176. *Health infrastructure.* With the inauguration of a new health centre in Yarmouk camp in October 1997, the process of expansion and rehabilitation of UNRWA's primary health-care infrastructure in Syria was almost complete. Three primary health-care facilities accommodated in unsatisfactory rented premises at Damascus and Dummur village still needed replacement, which would be difficult owing to unavailability of sites.

177. *Cooperation with Syrian Government.* The long-standing cooperation and coordination between UNRWA and the Syrian Ministry of Health was maintained, especially in the area of disease surveillance and control and national immunization campaigns. The ministry continued to meet

the Agency's requirements of hepatitis B vaccine as an in-kind donation.

178. *Environmental health.* The project for replacement of the old unserviceable internal sewerage system in Neirab camp progressed, with completion expected in September 1998. The water network in Homs camp was connected with the municipal water supply system, and the General Authority for Palestine Arab Refugees laid 400 metres of concrete sewer pipes in Sbeineh camp.

C. Relief and social services

179. *Refugee registration.* On 30 June 1998, the number of Palestine refugees registered with UNRWA in the Syrian Arab Republic stood at 365,805, an increase of 2.6 per cent over the 30 June 1997 figure of 356,739. The rate of increase approximated estimated population growth.

180. *Special hardship programme.* The number of SHCs in the Syrian Arab Republic increased by 6.7 per cent, from 22,327 on 30 June 1997 to 23,794 on 30 June 1998. Emergency cash and in-kind assistance was provided to 55 SHC families comprising 324 persons, whose household effects had been damaged by heavy rains and flooding in Khan Eshieh camp in November 1997.

181. *Shelter rehabilitation.* With project funding, UNRWA rehabilitated 33 shelters of SHC families, of which 25 were rehabilitated through camp-based contractors and eight on a self-help basis by the families. Rehabilitation of an additional 24 shelters was halted in the planning stage owing to the freeze of the regular budget allocation for shelter rehabilitation.

182. *Poverty alleviation.* The programme for group-guaranteed savings and loan schemes expanded to 56 groups with 701 participants, particularly in remote areas where access to credit was more limited. Most of the mini-loans were awarded to SHCs to establish or develop microenterprises. A new category of loans, to needy non-SHC refugees for housing improvements, was successfully introduced. In addition, the Agency provided 28 individual loans to SHCs to establish or develop small enterprises. The group-guaranteed and individual loans provided during the reporting period had a total value of $61,000, with a repayment rate of 95 per cent.

183. *Women in development.* The 15 WPCs in the Syria field provided training courses in sewing, computer skills and hair-dressing to 3,555 women, of whom 961 had found employment in textile factories or in private or public enterprises by mid-1998. Other courses included English courses for 130 students of both sexes, literacy classes for 90 illiterate persons of both sexes, and courses in typing and knitting. The WPCs provided employment to 179 women, including 42 kindergarten supervisors and others involved in training courses, with wages paid through participation fees. Seventy per cent of the WPCs' running costs was covered by participation fees for training courses, kindergartens and other activities, with the remaining 30 per cent covered by UNRWA. Two more WPCs came under full community management, bringing the total in the field to seven. With contributions from women and men in the community and other sources, the Latakia WPC established a fund to provide assistance to members of the community in case of emergency or special need. Loans were provided to 12 WPCs in Syria to help improve premises or establish computer rooms. UNICEF continued to provide training to all kindergarten supervisors.

184. *Community rehabilitation.* Income-generation activities to create job opportunities for disabled persons and help CRCs to attain financial sustainability included a shoe repair shop at Dera CRC, a boutique at Hama CRC and computer training courses at Alliance CRC. English language courses were offered to disabled persons at minimal participation fees. Lectures and workshops were held on a variety of issues, including causes of disability, prevention of disability and caring for mentally retarded and disabled children. A summer camp for 300 orphaned and disabled SHC children was held in July 1997, with support from local volunteers. Hearing aids and prosthetic devices were provided to 46 persons with disabilities. With community support, the Neirab CRC was transformed into a community activity centre. All five CRCs in the Syria field were community managed.

Chapter VIII
West Bank

A. Education

185. *Elementary and preparatory schooling.* UNRWA schools in the West Bank accommodated 50,017 pupils in the six-year elementary cycle and three-year preparatory cycle in the 1997/1998 school year. The increase of 2,102 pupils (4.4 per cent) over the previous school year resulted from natural growth in the refugee population and the admission to Agency schools of some 372 children of newly arrived refugee families. The enrolment increase would have been greater, had 1,017 pupils not been transferred from Agency schools to Palestinian Authority schools. The

transfers resulted from normal movement of families within the area and selection of schools closer to their place of residence. The number of schools decreased from 100 to 99 because the newly constructed school at Far'a camp enabled two boys' schools to be amalgamated into one. Lack of funds prevented UNRWA from extending the basic education cycle in the West Bank from nine years to 10 (see para. 29) and from adjusting its grading pattern to accommodate reforms introduced by the Jordanian Government and the Palestinian Authority, as described in last year's report.

186. *Education infrastructure.* With project funding, UNRWA completed the construction of three schools to replace dilapidated premises, 18 classrooms to avoid triple shifting or replace unsafe classrooms and one toilet block. The Agency also upgraded three schools, paved one schoolyard and renovated boundary walls at six schools. At mid-1998, three schools, six classrooms and three toilet blocks were under construction. Construction of an urgently needed new school building at Beit Surik remained at a standstill throughout the reporting period. UNRWA continued to experience difficulty in obtaining sites for school construction, particularly in Jerusalem. Agency schools in the West Bank had the lowest classroom occupancy rate (37.8 pupils) of any field, as a result of the high proportion of schools accommodated in unsatisfactory rented premises (21.2 per cent) or located outside camps or in remote areas, although schools in camps remained overcrowded.

187. *Vocational and technical training.* The three UNRWA vocational and technical training centres in the West Bank – Ramallah Women's training centre (RWTC), Ramallah Men's training centre (RMT), and Kalandia training centre (KTC) – accommodated 1,089 trainees during the 1997/1998 school year, of whom 460 were women and 769 were boarding students. Enrolment fell 14 per cent short of the centres' capacity of 1,270 training places, owing to the inability of students from Gaza to obtain the requisite permits from the Israeli authorities (see para. 209). The three centres offered 16 trade courses and 18 technical/semi-professional courses. No new intake was admitted to the diesel and agricultural machinery mechanics course at KTC owing to lack of funds to cover staff costs. Graduating UNRWA trainees attained a pass rate of 87 per cent in the 1997 comprehensive examination administered by the Palestinian Authority, as compared to the 66 per cent average for all West Bank community colleges. A survey of the centres' 1996 graduates revealed that 91 per cent were employed by 1997. In cooperation with the Palestinian Authority, six short-term courses of 6 to 20 weeks' duration were offered at KTC to train 164 released prisoners in auto mechanics, electrician skills, office equipment repair, aluminum fabrications, radio and television repair, and refrigeration and air conditioning repair. RWTC continued to offer a 40-week course for executive secretaries, in which 41 students were enrolled. UNRWA sponsored 19 refugee students at a private training institution at Bethlehem, and offered a six-month short-term course in building techniques at KTC for 13 students. In May 1998, RWTC hosted a highly successful open day, commemorating 48 years of UNRWA service to Palestine refugees.

188. *Educational Sciences Faculty.* The ESF at RMTC and RWTC accommodated 464 students, of whom 306 were women, in a four-year pre-service teacher training programme offered at the post-secondary level. Enrolment fell 23 per cent short of the capacity of 600 training places, owing to the inability of students from Gaza to obtain the requisite permits from the Israeli authorities (see para. 209). A total of 150 students, including 67 women, graduated from the two ESFs in July 1997. The Agency decided not to introduce in-service training at the ESFs in the West Bank, owing to movement restrictions that would have prevented teachers from participating, and because the Palestinian Authority had not yet introduced an in-service programme to upgrade its teachers to the first university degree level. However, 133 Agency teachers were enrolled in programmes at local universities to upgrade their qualifications to the first or second university degree level.

189. *University scholarships.* University scholarships were awarded to 151 Palestine refugee students from the West Bank, including 86 women, who had excelled in their general secondary examinations.

190. *Operational constraints.* UNRWA's education programme continued to be disrupted by Israeli security-related measures, which restricted freedom of movement, though to a lesser degree than in the previous reporting period. On several occasions, closures prevented Agency trainees, teachers and other education staff from reaching their place of work or training. During two strict internal closures of the West Bank, in July–August 1997 and September 1997 (see para. 113), the education programme was severely disrupted by shortages of teaching staff. Staff with West Bank identity cards occasionally faced difficulties in reaching the eight Agency schools in Jerusalem, especially during the internal closures. However, the disruptions were not significant enough to warrant extension of the school year.

B. Health

191. *Primary care.* Comprehensive primary health-care services were delivered to Palestine refugees in the West Bank through the Agency's network of 22 health centres and 12 health points, all of which offered family planning services and special care for management of diabetes mellitus and hypertension, in addition to the full range of preventive and curative medical care services. Of those facilities, 22 accommodated laboratories and 20 provided dental care, supported by a mobile dental unit for community oral health services. Six centres had X-ray facilities and six provided physiotherapy services.

192. *Secondary care.* In-patient care was provided through contractual agreements with Augusta Victoria Hospital in Jerusalem, St. John's Ophthalmic Hospital and seven other non-governmental organization hospitals in the West Bank, as well as directly by the Agency at its 43-bed hospital at Qalqilia. Partial reimbursement was provided for expenses incurred by refugee patients at Maqassed Hospital at Jerusalem, and at King Hussein Medical Centre in Jordan for specialized care not readily available at the contracted hospitals, such as cardiac surgery. The Agency also reimbursed part of the expenses of treatment of refugees at Palestinian Authority hospitals and reimbursed insurance premiums to cover cancer treatment for refugees holding West Bank identity cards. The level of co-payment in cost of treatment stood at 25 per cent at contracted hospitals and 30 per cent through the reimbursement scheme. In March 1998, the Agency adjusted the co-payment rate at Qalqilia hospital to bring it into line with the rate applied at contracted hospitals, so as to maintain essential in-patient services in the face of rising hospitalization costs (see para. 9).

193. *Health infrastructure.* Construction of Ein Arik health point was completed in July 1997, although the health point could not be made operational pending connection of electric power by the concerned municipality. Construction was completed on a MCH centre attached to the main health centre in Askar camp in October 1997. With those two projects, all improvements to UNRWA's health infrastructure in the West Bank planned and implemented under PIP were completed.

194. *Operational constraints.* UNRWA's health programme continued to face serious operational difficulties in the West Bank arising from closures and movement restrictions imposed by the Israeli authorities on security grounds, including limitation on the number of travel permits issued to staff and Agency vehicles. Prolonged closures of and within the West Bank prevented staff from reaching their place of work and restricted access of patients to hospitals in Jerusalem. Similarly, sanitation services were disrupted in some instances because garbage trucks could not reach camps. Restrictions on travel between the West Bank and Gaza Strip made coordination and information exchange more difficult.

195. *Outbreaks of disease.* A serious outbreak of post-BCG vaccinal lymphadenitis occurred in the West Bank in June 1997, affecting 41 schoolchildren. The outbreak continued until July 1997, when use of a very reactogenic strain of tuberculosis vaccine was discontinued. A similar outbreak occurred between June and October 1997 in the Gaza Strip, affecting 257 schoolchildren who had received the same batch of vaccine. UNRWA cooperated closely with the Palestinian Authority to control the outbreak by replacement of vaccine.

196. *Joint infrastructure projects.* Tender documents were prepared for the joint infrastructure projects in the West Bank planned in cooperation with the Palestinian Authority, namely, construction and equipping of a 20-bed paediatric ward, X-ray unit and physiotherapy unit at Qalqilia hospital, and construction of a public health laboratory at Ramallah with a satellite laboratory in the Gaza Strip. In both projects, delays had resulted from factors beyond the Agency's control relating to designation of sites, agreement on the scope of works, finalization of technical designs and shortfalls in funding by the respective donors.

197. *Environmental health.* UNRWA prepared detailed design drawings for a sewerage and drainage scheme in Shu'fat camp, part of a comprehensive initiative to upgrade camp infrastructure with project funding. The Agency maintained close contacts with the concerned authorities in continuing efforts to resolve the problem of sewage flow from Jalazone camp to the agricultural fields of adjacent Jifna village, which could not be resolved owing to funding shortfalls. No progress could be achieved in improving sewerage and drainage systems in the five refugee camps which had previously been the subject of a detailed feasibility study, pending completion of master planning by the Palestinian Authority and acquisition of project funding.

C. Relief and social services

198. *Refugee registration.* On 30 June 1998, the number of Palestine refugees registered with UNRWA in the West Bank stood at 555,057, an increase of 2.3 per cent over the 30 June 1997 figure of 542,642. The rate of increase approximately matched estimated population growth.

199. *Special hardship programme.* Enrolment in the SHC programme rose from 28,684 on 30 June 1997 to 30,487 on 30 June 1998, an increase of 6.3 per cent. However, enrolment remained stable in relative terms, at 5.5 per cent of the registered refugee population in the West Bank. High unemployment and the continuing closure affected many poorer families, including those who did not qualify for SHC assistance.

200. *Shelter rehabilitation.* With project funding, work commenced in April 1998 on rehabilitation of 75 shelters belonging to SHC families, all of which would be rehabilitated through self-help methods.

201. *Emergency relief.* UNRWA provided emergency relief assistance on several occasions during the reporting period in response to events in the field. In August 1997, food aid was distributed to 2,239 refugees in Aida, Beit Jibrin and Dheisheh camps in the Bethlehem area, following a prolonged closure imposed by the Israeli authorities on security grounds. In July, October and November 1997, food, tents, and household items were provided to 94 Bedouin families (904 persons) from the Jahalin tribe who had been evicted in connection with the expansion of a settlement near Jerusalem. In October 1997, food, tents and household items were provided to 16 families (92 persons) in Aqabat Jabr camp, whose shelters had been severely damaged by a storm. In October 1997, food was distributed to 1,350 families (around 8,000 persons) in Asira Shemaliya village, in the Nablus area, following a prolonged curfew. The Agency distributed a donation of 1,000 food parcels from a non-governmental organization to poor families living in refugee camps who had a large number of children and/or disabled children.

202. *Poverty alleviation.* The skills training and apprenticeship scheme offered training courses to 97 young men and women from poor refugee families in a variety of subjects, including aluminum fabrication, beautician skills, sewing techniques, auto mechanics, electrical installations, and photography and video recording. Soft loans were provided to four graduates to help establish microenterprises, bringing the field total to 14 soft loans, with a 100 per cent repayment rate. In cooperation with an international non-governmental organization, group-guaranteed savings and loan schemes continued to operate successfully at the Arroub, Balata, Fawwar and Nur Shams WPCs. The scheme provided training in start-your-own-business techniques to grass-roots organizations in six refugee camps; helped seven community centres and 30 refugee families develop proposals and feasibility studies for income-generation projects; and offered six awareness-raising workshops in several camps on poverty alleviation, in coordination with local non-governmental organizations and the Palestinian Authority.

203. *Women in development.* A community-managed WPC was established at Shu'fat camp with project funding, bringing the total in the field to 15. The centres were working to establish a union to seek accreditation and support for their activities from the Palestinian Authority, other non-governmental organizations, and donors. Income-generation projects at the WPCs provided employment to 70 women in refugee camps and a source of revenue for the centres; several hundred other women participated in income-generation activities (such as embroidery or food production) from home. Kindergartens were operating at most centres. The WPCs offered lectures and workshops on a variety of subjects, including women's and civic rights, marriage issues, disability prevention, pregnancy, child care, family planning, HIV-AIDS and environmental conservation. The wide variety of organized events for women and girls included summer camps, cultural exhibitions, home visits to the elderly, folk dance classes, volleyball and basketball tournaments and scouting expeditions. The Agency provided training in start-your-own-business techniques to the managing committees at four WPCs.

204. *Community rehabilitation.* The 10 CRCs in the West Bank established a coordinating committee to seek support for their activities from the Palestinian Authority, other non-governmental organizations, and donors. The centres provided basic rehabilitation and outreach services for the disabled, particularly children. School mainstreaming for disabled children was conducted jointly with UNRWA schools in refugee camps, particularly at Balata, Dheisheh, Fawwar, Jenin, and Kalandia. Activities for the disabled included sports tournaments and lectures and workshops to raise awareness on disability, HIV-AIDS, environmental conservation, and the needs of the poor. Joint activities with the Palestinian Authority and non-governmental organizations included providing input on a proposed draft law on the rights of the disabled, and organizing such activities as home-based rehabilitation programmes, training of volunteer rehabilitation workers, and summer and winter camps for disabled children.

205. *Youth activities.* The 18 YACs in the West Bank organized a busy schedule of sports, recreational and educational activities for refugee youth, while playing an active role in community life. In coordination with local schools, remedial and supplementary classes for weaker pupils were organized at some centres. Scouting expeditions and summer and winter camps for children were organized in association with the Palestinian Authority and non-

governmental organizations. Youth committees participated in traditional reconciliation processes for inter-family disputes and carried out community service, including tree planting, clean-up campaigns and repair of roads and street lights. Several centres organized lectures and workshops on civic and community issues.

Chapter IX
Gaza Strip

A. Education

206. *Elementary and preparatory schooling.* UNRWA schools in the Gaza Strip accommodated 150,869 pupils in the six-year elementary cycle and three-year preparatory cycle in the 1997/1998 school year. The increase of 10,169 pupils (7.2 per cent) over the previous school year resulted from natural growth in the refugee population and the admission to Agency schools of some 1,157 children of newly arrived refugee families. The rapid growth in enrolment, for the fourth consecutive year, necessitated the establishment of six new schools, bringing the total in the field to 168. At nearly 50 pupils per classroom, the classroom occupancy rate in the Gaza field was again the highest Agency-wide, and well above the 43 pupils/classroom average in Palestinian Authority schools. Remedial attention was provided to 130 pupils.

207. *Education infrastructure.* With project funding, UNRWA completed the construction of five schools to replace dilapidated premises, 16 classrooms to avoid triple shifting or replace unsafe classrooms, three specialized rooms, and one toilet block. Comprehensive maintenance was carried out on one school. At mid–1998, one school building and one toilet block were under construction. Additional project funding for school construction in Gaza was one of the Agency's top funding priorities in view of the rapid growth in enrolment.

208. *Vocational and technical training.* The Gaza training centre accommodated 834 trainees, including 114 women, in 14 trade courses and five technical/semi-professional courses. In response to high demand for its courses and limited alternatives for vocational and technical training – in part because of movement restrictions which prevented Gaza students from attending courses in the West Bank – the centre exceeded its normal capacity of 760 trainees by 10 per cent.

209. *Gaza students enrolled in West Bank training centres.* There was no improvement in the situation of male and female students from Gaza enrolled in courses at UNRWA training centres in the West Bank, including ESF, who since February 1996 remained unable to obtain the necessary permits from the Israeli authorities to stay in the West Bank, despite repeated requests by the Agency. Sixty students who had enrolled in ESF programmes in previous years remained unable to complete their training, while 61 new students accepted into ESF for the 1997/1998 school year were unable to attend classes. Three male and 58 female students from Gaza were able privately to obtain the necessary permits to attend ESF and vocational training courses at the Agency's West Bank training centres. In accordance with established practice, the West Bank centres reserved 40 per cent of training places for Gaza students in courses not offered in Gaza, such as ESF and certain vocational and technical training courses.

210. *University scholarships.* University scholarships were awarded to 259 Palestine refugee students from the Gaza Strip, including 171 women, who had excelled in their general secondary examinations.

B. Health

211. *Primary care.* UNRWA's primary health-care services for Palestine refugees in the Gaza Strip were delivered through a network of 13 health centres offering a full range of medical care services, including family planning. All the facilities offered special care for management of diabetes mellitus and hypertension and accommodated laboratories. Eleven provided dental care, supported by three mobile dental units providing community oral health care. Six had physiotherapy clinics and four had X-ray facilities. Approximately one fifth of the total registered deliveries in the Gaza Strip took place at maternity units at six of the centres. Specialist services in cardiology, chest diseases, gynaecology and obstetrics, ophthalmology, paediatrics and diabetes were provided at the largest centres under a weekly rotating schedule. The unique arrangement of providing an afternoon shift at the centres in the five largest camps and Gaza town was maintained to offset heavy workloads during the morning shift. With limited staff, the afternoon clinics catered for approximately one third of the total medical consultations at Agency facilities at Gaza. The Agency also operated one health point and three MCH centres, which provided a full range of family health services.

212. *Secondary care.* Hospital services were provided through a contractual arrangement with a non-governmental organization hospital, el-Ahli, where 50 beds were reserved for refugee patients, and through partial reimbursement of

medical expenses incurred by refugees for treatment at Palestinian Authority hospitals.

213. *Health infrastructure.* With the completion in previous years of major projects for the enlargement and replacement of primary health-care facilities under the expanded programme of assistance and PIP, the emphasis during the reporting period was on renovation and expansion of existing facilities. Works were completed on expansion of the radiology unit at Rimal health centre; construction of a new radiology unit at Khan Younis health centre; expansion of the physiotherapy unit at Jabalia health centre; and renovation of the MCH centres at Fakhoura, Nuseirat and Shaboura.

214. *European Gaza Hospital.* With major construction works on the European Gaza Hospital project completed, UNRWA, the European Community and the Palestinian Authority maintained close contacts during the reporting period to reach a common understanding on practical modalities for the commissioning and future management of the hospital. In October 1997, the three parties signed a memorandum of understanding establishing a tripartite hospital project board, agreeing that an international management team would carry out the pre-commissioning and commissioning of the hospital, which would ultimately become part of the Palestinian Authority health-care system. The project board began functioning in October 1997, and by the close of the reporting period had made substantial progress in resolving outstanding issues relating to funding shortfalls on construction and equipping and preparing terms of reference for the international management team. Under the board's supervision, the international management team would have full responsibility for the hospital project and would carry out its work in two phases: commissioning activities required for the early operation of the hospital, followed by management of the hospital for a transitional period of two years from the team's date of recruitment. Upon completion, the 232-bed facility would become the second largest hospital in the Gaza Strip, increasing the number of available hospital beds by 24 per cent. Among the medical care services planned to be offered at the hospital were general surgery, general medicine, paediatrics, obstetrics and gynaecology, ophthalmology, dermatology, neurology and gastroenterology, in addition to outpatient, emergency and other diagnostic and support services. Located at Khan Younis, the hospital was funded by the European Community and bilateral European donors.

215. *Gaza College of Nursing.* In accordance with the strategic plan for the replacement of the Gaza College of Nursing with the newly constructed and equipped Gaza College of Nursing and Allied Health Sciences, the college concluded its general nursing and practical midwifery training activities with the graduation of the last batch of students in June 1998. During the 1997/1998 school year, 64 female students were enrolled in the three-year undergraduate diploma course in general nursing, and 19 in the two-year practical midwifery programme, the only one of its kind in the Gaza Strip. In July 1998, the new facility, located within the European Gaza Hospital compound, was taken over by the Palestinian Authority and integrated into the Authority's health-care system.

216. *Maternal health and family planning project.* The three-year 1995–1997 maternal health and family planning project, a joint initiative by all health-care providers in the Gaza Strip, including UNRWA, the Palestinian Authority and non-governmental organizations, continued to progress as planned. Following completion of the first two phases of the project, involving development of open-learning training modules and training in management information systems, work during the reporting period focused on the third phase, consisting of training in total quality management. Owing to unavoidable delays in implementation, the projected completion date was extended to March 1999, when the project would be transferred to a local coordinating committee. Developed in cooperation with technical advisers from Kingston University in the United Kingdom, the project aimed to improve the quality of maternal health and family planning services by providing resources to upgrade the qualifications of senior programme managers. The project also covered UNRWA's requirements of contraceptive supplies in the Gaza Strip.

217. *Environmental health.* The major achievement of the special environmental health programme in the Gaza Strip during the reporting period was the successful operation of the new sewerage and drainage network in Beach camp, which markedly improved environmental health conditions by reducing flooding and preventing discharge of sewage into the sea in front of the camp. Construction of the network was completed in the eastern section of the camp in December 1997, and in the northern and southern sections in May 1998. From the beginning of 1997 through mid–1998, the percentage of Beach camp shelters connected to sewers rose from 30 per cent to 100 per cent, while 40 per cent of the camp's roads and pathways were paved over the same period. With substantial completion of upgrading works in May 1998, the third municipal pumping station began serving the camp, although it could not be made fully operational pending approval by the Palestinian Authority to construct an emergency overflow. Rehabilitation of the Gaza municipal waste water treatment plant was completed in October 1997 after retendering of the contract. Detailed

design for the coastal defence project, now called the Beach camp shore protection project, began in November 1997 and was planned to be concluded in September 1998. The project consisted of two main components: retaining gabions to protect the cliff along the coastal road and groynes to guard against shore decretion. Construction was expected to start in early 1999 and to last three years. With regard to Deir el-Balah camp, construction of priority sewerage and drainage works in the northern part of the camp progressed during the reporting period. Works for construction of a pressure main were tendered, with a forecast completion date of February 1999. Detailed design and tender documents for a main gravity interceptor were revised, and tendering was planned for September 1998.

C. Relief and social services

218. *Refugee registration.* On 30 June 1998, the number of Palestine refugees registered with UNRWA in the Gaza Strip stood at 772,653, an increase of 3.6 per cent over the 30 June 1997 figure of 746,050. The increase was the highest Agency-wide, reflecting the relatively high birth rate. Nearly 54.9 per cent of the refugees registered with UNRWA in Gaza were registered in one of the field's eight refugee camps, the largest proportion of any field.

219. *Special hardship programme.* The number of refugees enrolled in the SHC programme at Gaza increased by 6.1 per cent, from 62,310 on 30 June 1997 to 66,124 on 30 June 1998. After Lebanon, Gaza continued to have the second-highest proportion of refugees enrolled in the SHC programme of any field (8.6 per cent), reflecting the difficult socio-economic conditions, including lack of employment opportunities, which could have enabled workers to support weaker members of the extended family. Moreover, a relatively higher percentage of families qualified for assistance because young male family members were continuing full-time education as an alternative to unemployment, or were not medically fit to earn a living owing to injuries received during the *intifada*.

220. *Shelter rehabilitation.* UNRWA rehabilitated 409 shelters of SHC families in Gaza, all but two with project funding. Additional project funding for shelter rehabilitation was received during the reporting period, on which works would be carried out subsequently.

221. *Women in development.* Lectures and workshops conducted at WPCs dealt with such issues as civic education, legal literacy, parenting, domestic relations and such gender issues as empowerment of women and women in development. Cooperation with local and international non-governmental organizations and Palestinian Authority bodies expanded. There was a noticeable increase in participation during the reporting period in fitness activities and use of the community libraries at all 10 WPCs in Gaza. New managing committees were elected at nine of the centres, complemented by training in self-management skills provided at all centres.

222. *Community rehabilitation.* In close cooperation with the Palestinian Authority and non-governmental organizations, the seven CRCs in the Gaza Strip continued to emphasize institutional development, outreach services and development of resources for the disabled, particularly children. UNRWA and the Palestinian Authority assisted disabled persons in obtaining prosthetic devices, hearing aids and wheel-chairs, and made contractual arrangements with non-governmental organizations to provide services to disabled refugees. With contributions from various sources, Beach CRC constructed new premises and Nuseirat CRC opened a vocational training workshop, while a fee-based audiology unit was being established at the Rafah CRC with a grant from UNRWA. Sports activities and summer and winter camps for disabled and able-bodied children were organized by several CRCs. Lectures and workshops offered at the centres covered such subjects as speech therapy, toy-making and Palestinian sign language.

223. *Youth activities.* The eight YACs in the Gaza Strip continued to organize a variety of recreational activities for refugee youth and take an active role in community life. Public meetings held at the centres covered a wide range of topics, including civic education, environmental issues and drug abuse. One-month summer camps took place at all eight centres. Three new income-generation projects were established: a hall for public gatherings at the Deir el-Balah centre, a sauna and gymnastics facility at the Khan Younis centre and a gymnastics facility at the Jabalia centre, the latter with a donor contribution. UNRWA conducted a training course on library science for 20 volunteers as part of a donor-funded project to establish libraries at all Gaza YACs. The multipurpose playgrounds at the Bureij and Deir el-Balah centres were improved with funds from the local community. With donor support, 12 disabled youths were taken on a two-week visit to the United Kingdom.

224. *Canada camp.* The gradual repatriation of refugees from Canada camp in the Sinai peninsula to the Gaza Strip continued within the framework of mutual agreements between the concerned authorities. Of the 40 refugee households currently involved in the repatriation process, 37 had completed construction of homes in the Tel el-Sultan housing project near Rafah and had received the full amount of compensation. However, with the exception of heads of

households, family members had not yet been permitted to enter Gaza as originally envisaged, hence remaining in Canada camp. With project funding, UNRWA channelled the compensation monies and would provide assistance to the families for a six-month settling-in period upon their arrival at Gaza. Some 3,350 other Palestine refugees from the Gaza Strip remain displaced at and around Canada camp, which had been separated from Rafah with the restoration of the Israeli-Egyptian border in 1982. The Agency continued to provide services, including food support, to those persons.

225. *After-school recreation.* The after-school recreation programme to provide safe and supervised sports, recreational and other activities for Gaza schoolchildren, in conjunction with the Palestinian Authority and local sports and youth clubs, was concluded in April 1998 with the full utilization of all project funding for the activity. During the reporting period, the programme provided 218 temporary job opportunities and benefited over 20,000 children.

226. *Al-Nour Rehabilitation Centre for the Visually Impaired (ARCVI).* ARCVI's new premises, built with a special contribution, were inaugurated in August 1997 and followed by a week-long UNRWA-Japan Friendship Days festival, which attracted thousands of participants from the local community. Ongoing rehabilitation activities at ARCVI included vocational training, income-generation opportunities, Braille courses, home outreach services and recreational activities. The centre provided teaching aids to help integrate visually impaired children into mainstream schooling and assisted visually impaired school graduates in finding jobs. Special elementary and pre-school courses accommodated 120 pupils. The campaign for early intervention on visual impairment, headed by ARCVI with Palestinian Authority support, continued at all schools in the Gaza Strip. A residential summer camp for 150 visually impaired and sighted children was held in July 1997. The Society of the Friends of ARCVI increased its support of the centre's operation, providing $70,000 to cover running costs, procurement of equipment and supplies, and other items.

Notes

[1] World Bank, *Medium Term Development Strategy and Public Financing Priorities for the Health Sector, West Bank and Gaza*, vol. 1 (December 1997), p. 14.

[2] World Bank, *Development Strategy for the Health Sector in the West Bank and Gaza*, vol. 2 (December 1997), p. 11, annex A.

[3] UNRWA registration figures are based on information voluntarily supplied by refugees primarily for the purpose of obtaining access to Agency services, and hence cannot be considered statistically valid demographic data.

Annex I
Statistical and financial information tables

Contents

		Page
1.	Number of registered persons	46
2.	Distribution of registered population	47
3.	Number and distribution of special hardship cases	47
4.	Basic education services	48
5.	Vocational, technical and teacher training services	49
6.	Medical care services	50
7.	Selected health status indicators for Palestine refugees, 1997	51
8.	Social services	52
9.	Income-generation programme	53
10.	Actual expenditure in 1997 and regular budget for 1998–1999	54
11.	Contributions in cash and in kind by Governments and the European Community	55
12.	Agency staff	57
13.	Staff members arrested and detained	57

Table 1
Number of registered persons[a]
(As of 30 June each year)

Field	*1950*	*1960*	*1970*	*1980*	*1985*	*1990*	*1995*	*1996*	*1997*	*1998*
Jordan	506 200	613 743	506 038	716 372	799 724	929 097	1 288 197	1 358 706	1 413 252	1 463 064
Lebanon	127 600	136 561	175 958	226 554	263 599	302 049	346 164	352 668	359 005	364 551
Syrian Arab Republic	82 194	115 043	158 717	209 362	244 626	280 731	337 308	347 391	356 739	365 805
West Bank[b]	—	—	272 692	324 035	357 704	414 298	517 412	532 438	542 642	555 057
Gaza Strip	198 227	255 542	311 814	367 995	427 892	496 339	683 560	716 930	746 050	772 653
Total	**914 221**[c]	**1 120 889**	**1 425 219**	**1 844 318**	**2 093 545**	**2 422 514**	**3 172 641**	**3 308 133**	**3 417 688**	**3 521 130**

[a] UNRWA registration figures are based on information voluntarily supplied by refugees primarily for the purpose of obtaining access to Agency services, and hence cannot be considered statistically valid demographic data; the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded.

[b] Until 1967, the West Bank of Jordan was administered as an integral part of the Jordan field.

[c] Excluding 45,800 persons receiving relief in Israel, who were the responsibility of UNRWA until June 1952.

Table 2
Distribution of registered population
(As of 30 June 1998)

Field	*Registered population*	*Percentage of total population*[a]	*Number of camps*	*Registered persons in camps*	*Registered persons not in camps*	*Percentage of registered persons not in camps*
Jordan	1 463 064	33	10	269 749	1 193 315	81.56
Lebanon	364 551	10	12	198 931	165 620	45.43
Syrian Arab Republic	365 805	3	10	106 748	259 057	70.82
West Bank	555 057	30	19	147 015	408 042	73.51
Gaza Strip	772 653	76	8	423 881	348 772	45.14
Total	**3 521 130**	—	**59**	**1 146 324**	**2 374 806**	**67.44**

[a] Source for total population figures: Economic and Social Commission for Western Asia (1996) and Palestinian Central Bureau of Statistics (1997); percentages listed are approximate and should be used for comparative purposes only.

Table 3
Number and distribution of special hardship cases
(As of 30 June 1998)

Field	*Number of families*	*Number of persons*			*Percentage of refugee population*
		Receiving rations	*Not receiving rations*[a]	*Total*	
Jordan	9 615	35 482	2 060	37 542	2.57
Lebanon	9 558	34 247	3 422	37 669	10.33
Syrian Arab Republic	7 580	22 253	1 541	23 794	6.50
West Bank	8 283	26 278	4 209	30 487	5.49
Gaza Strip	15 028	64 599	1 525	66 124	8.56
Total	**50 064**	**182 859**	**12 757**	**195 616**	**5.56**

[a] Including children under one year of age, students studying away from home etc.

Table 4
Basic education services[a]
(As of October 1997)

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Total/ average
Elementary pupils	88 211	25 932	43 206	36 159	114 864	308 372
Boys	44 550	13 159	21 670	16 039	58 981	154 399
Girls	43 661	12 773	21 536	20 120	55 883	153 973
Preparatory pupils	54 996	12 544	20 844	13 858	36 005	138 247
Boys	28 158	5 841	10 705	5 829	18 693	69 226
Girls	26 838	6 703	10 139	8 029	17 312	69 021
Secondary pupils	—	649	—	—	—	649
Boys	—	281	—	—	—	281
Girls	—	368	—	—	—	368
Total enrolment	143 207	39 125	64 050	50 017	150 869	447 268
Boys	72 708	19 281	32 375	21 868	77 674	223 906
Girls	70 499	19 844	31 675	28 149	73 195	223 362
Percentage of girls	49.2	50.7	49.5	56.3	48.5	49.9
Percentage of total Agency-wide enrolment in each field	32.0	8.7	14.3	11.2	33.7	100.0
Percentage increase in total enrolment over previous year	(1.7)	3.0	0.1	4.4	7.2	2.5
Administrative schools	198	75	109	99	168	649
Elementary	70	38	60	30	121	319
Preparatory	128	35	49	69	47	328
Secondary	—	2	—	—	—	2
Percentage of administrative schools on double shifts	92.9	49.3	92.7	35.4	72.6	73.8
Percentage of administrative schools in rented premises	21.7	41.3	9.2	21.2	0.0	16.2
School buildings	106	57	61	86	108	418
Rented school buildings	24	24	8	21	—	77
Classroom occupancy rate	41.3	39.4	44.9	37.8	49.6	43.6
Percentage of class sections containing 48 pupils or more	23.2	19.4	37.2	6.1	77.8	38.8
University scholarships awarded	267	124	254	151	259	1 055
Percentage of female scholars	37.5	35.5	34.5	57.0	66.0	46.3
Teachers	4 245	1 251	1 706	1 613	3 889	12 704
In-service teacher trainees[b]	153	86	79	81	176	575

[a] Enrolment figures exclude an estimated 186,290 refugee pupils attending Government and private elementary and preparatory schools, and 66,728 refugee students attending Government and private secondary schools, and include 39,942 non-refugee children attending UNRWA schools.

[b] Participants in the regular in-service training programme (not including the Educational Sciences Faculty) during the 1997–1998 school year.

Table 5
Vocational, technical and teacher training services
(Actual enrolment in 1997/1998 academic year)

	Jordan				*Lebanon*		*Syrian Arab Republic*		*West Bank*						*Gaza Strip*				
	Amman Training Centre		*Wadi Seer Training Centre*		*Siblin Training Centre*		*Damascus Training Centre*		*Kalandia Training Centre*		*Ramallah women's training centre*		*Ramallah men's training centre*		*Gaza training centre*		*Total*		*Grand total*
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Vocational and technical training																			
Vocational training[a]	—	69	538	—	345	40	527	—	464	—	—	92	—	—	662	—	2 536	201	2 737
Technical training[b]	40	326	170	82	128	81	133	158	48	—	—	368	117	—	58	114	694	1 129	1 823
Total	**40**	**395**	**708**	**82**	**473**	**121**	**660**	**158**	**512**	**—**	**—**	**460**	**117**	**—**	**720**	**114**	**3 230**	**1 330**	**4 560**
Teacher training																			
Educational sciences Faculty pre-service[c]	55	292	—	—	—	—	—	—	—	—	—	306	158	—	—	—	213	598	811
Educational sciences Faculty in-service[d]	432	212	—	—	—	—	—	—	—	—	—	—	—	—	—	—	432	212	644
Other pre-service[e]	—	—	—	—	15	39	—	—	—	—	—	—	—	—	—	—	15	39	54
Total	**487**	**504**	**—**	**—**	**15**	**39**	**—**	**—**	**—**	**—**	**—**	**306**	**158**	**—**	**—**	**—**	**660**	**849**	**1 509**
Grand total	**527**	**899**	**708**	**82**	**488**	**160**	**660**	**158**	**512**	**—**	**—**	**766**	**275**	**—**	**720**	**114**	**3 890**	**2 179**	**6 069**

[a] Two-year post-preparatory courses in a variety of building, electrical, electronic, mechanical and metalworking trades.

[b] Two-year post-secondary courses in a variety of technical, paramedical and commercial skills.

[c] Four-year post-secondary course leading to a first university degree.

[d] Three-year course for two-year diploma-holders leading to a first university degree.

[e] Two-year post-secondary course leading to a two-year teaching diploma.

Table 6
Medical care services
(1 July 1997–30 June 1998)

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Total
Out-patient care						
Health facilities	23	25	23	34	17	122
Health centres	13	18	23	22	13	89
Health points	4	6	0	12	1	23
Mother and child health centres	6	1	0	0	3	10
Services offered at health units						
Dental care	20	17	13	21	14	85
Family planning	23	25	23	34	17	122
Special care	17	24	23	34	13	111
Specialist services	13	15	15	17	13	73
Laboratories	21	15	19	22	13	90
Patient visits						
Medical treatment[a]	1 621 048	742 344	789 304	967 050	2 489 789	6 609 535
Dental treatment	155 982	72 118	61 233	56 189	137 077	482 599
In-patient (hospital) care[b]						
Patients admitted	4 624	11 906	5 485	13 184	7 053	42 252
Patient days	19 752	41 985	11 811	45 181	19 536	138 265
Maternal and child health care						
Pregnant women newly registered	19 525	4 640	7 645	10 862	26 351	69 023
Infants under age 1 newly registered	26 560	4 699	8 153	11 066	24 614	75 092
Children age 0-3 under supervision	72 166	13 102	19 897	31 741	64 699	201 605
New family planning acceptors	5 885	2 320	3 004	3 160	7 072	21 441
Total family planning acceptors[c]	13 003	6 136	7 287	8 695	22 994	58 115
Expanded programme of immunization[d]						
Triple (DPT) vaccine	25 711	4 618	7 770	10 908	25 207	74 214
Polio vaccine	25 766	4 529	7 760	10 937	25 183	74 175
BCG vaccine	26 313	4 590	6 852	11 027	24 502	73 284
Measles vaccine	25 694	4 514	7 901	10 674	25 126	73 909
Hepatitis B vaccine	26 098	7 282	7 886	10 361	29 486	81 113
School health						
School entrants examined	14 894	5 630	6 540	6 783	20 795	54 642
Booster vaccinations	35 064	6 332	25 248	27 061	69 533	163 238

[a] Including visits for medical consultations, injections and dressings.

[b] With the exception of a 43-bed hospital run by UNRWA at Qalqilia in the West Bank, hospital services are provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of treatment costs.

[c] Total number remaining under supervision on 30 June 1998.

[d] Number of infants receiving full primary series, including vaccinations provided to infants of non-registered refugees with access to UNRWA clinics, and to infants completing the full primary series after the normal schedule.

Table 7
Selected health status indicators for Palestine refugees, 1997

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*
Crude birth rate	33	33	n/a	31	46
Neo-natal mortality rate per 1,000 live births[a]	22	26	20	n/a	20
Infant mortality rate per 1,000 live births[a]	32	35	29	27	33
Early childhood mortality rate per 1,000 live births[a]	35	37	32	n/a	36
Mean marital age[b]	19.7	19.6	20.0	19.1	18.5
Modern contraceptive prevalence (per cent)[b]	34.7	50.1	46.7	33.5	23.7
Birth interval:[b]					
Per cent ≤ 12 months	3.3	2.7	2.8	3.3	5.5
Per cent ≤ 24 months	43.9	34.9	37.6	47.9	53.2
Mean birth interval (months)	31.0	36.7	37.3	29.4	26.6
Institutionalized deliveries (per cent)	94.4	73.9	71.8	88.5	73.6
Pregnant women immunized against tetanus (per cent)	97.7	98.5	89.0	92.0	96.5
Incidence of low birth rate among surviving infants (per cent)[b]	6.7	3.5	6.8	5.0	3.6
Prevalence of diabetes mellitus among registered refugees age 40 and above (per cent)	3.5	3.3	4.0	3.2	6.4
Prevalence of hypertension among registered refugees age 40 and above (per cent)	2.6	3.0	5.8	2.6	6.1
Camp shelters with access to safe water (per cent)[c]	98	96	85	100	100
Camp shelters with access to sewerage facilities (per cent)[c]	76	57	87	66	47

Source: UNRWA data.

[a] Figures for the West Bank derived from a 1995 survey by the Palestinian Central Bureau of Statistics.

[b] 1995 figures.

[c] Figures may differ from those reported in previous years owing to adoption of more refined criteria for computing coverage.

Table 8
Social services
(1 July 1997–30 June 1998)

Field	Women's programme		Youth activities		Support for disabled persons				Poverty alleviation							
					Community-based rehabilitation			Specialized facilities	Grant-based projects		Loan-based projects		Group-guaranteed lending schemes[b]		Skills training and production units[c]	
						Participants[a]										
	Centres	Participants	Centres	Participants	Centres/programmes	Centre activities	Outreach activities	Referrals	No.	$	No.	$	Participants	$	No.	Participants
Jordan	21	4 700	—	—	9	772	849	200	29	100 707	2	19 774	53	8 460	5	125
Lebanon	9	1 987	—	—	1	38	840	51	23	90 851	72[d]	314 351	—	—	5	30
Syrian Arab Republic	15	3 555	—	—	5	580	516	1	1	2 600	39	61 000	90	14 000	11	300
West Bank	15	4 361	18	6 957	10	987	743	540	—	—	5	30 590	—	—	3	57
Gaza Strip	10	3 300	8	5 420	7	653	803	564[e]	5	57 350	—	—	—	—	1	500
Total	**70[f]**	**17 903**	**26**	**12 377**	**32**	**3 030**	**3 751**	**1 356**	**58**	**251 508**	**118**	**425 715**	**143**	**22 460**	**25**	**1 012**

[a] Including disabled persons assisted through home-based activities, mainstreaming into educational and special vocational training programmes, job placement, self-support projects, provision of prosthetic devices and other aids, and cash assistance.

[b] Refers to the reporting period only; figures reported in previous years were cumulative.

[c] Including enterprises associated with women's programme centres and community rehabilitation centres, and in the West Bank, apprentices placed with local employers.

[d] Including 37 mini-loans in the value of $90,851.

[e] Including 234 persons benefiting from the services of the Al-Nour Rehabilitation Centre for the Visually Impaired at Gaza.

[f] Two women's programme centres in Lebanon closed owing to lack of funding, and will be reopened once a new sponsor is identified; one women's programme centre opened in the West Bank.

Table 9

Income-generation programme

(1 July 1997–30 June 1998)

				West Bank		Gaza Strip			
	Jordan[a]	*Lebanon*	*Syrian Arab Republic*	*Small-scale enterprise programme*	*Micro-enterprise credit programme*[b]	*Solidarity-group lending programme*	*Micro-enterprise credit programme*	*Small-scale enterprise programme*	*Total*
Number of loans issued	2	35	—	79	288	3 296	2 774	123	6 597
Value of loans issued ($)	19 774	223 500	—	1 052 333	243 380	2 714 255	3 141 230	1 416 507	8 810 979
Capital base ($)[c]	494 208	330 000	—	1 714 460	—[d]	4 035 165[e]		7 937 932	14 511 765
Overall recovery rate[f]	96	99	—	94	—	98	97	91	—

[a] In abeyance from August 1997, pending conclusion of a more favourable agreement with the local bank.

[b] Launched in April 1998.

[c] On 30 June 1998.

[d] Capital borrowed from other income-generation subprogrammes in the West Bank and Gaza Strip.

[e] Shared capital base.

[f] Percentage over the life of the programme to 30 June 1998.

Table 10

Actual expenditure in 1997 and regular budget for 1998–1999

(Cash and in kind, millions of United States dollars)

	Actual expenditure 1997	*Budgeted expenditure 1998*[a]							*Budgeted expenditure 1999*[a]
		Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Headquarters*	*Total*	
Education	153.1	48.6	19.5	10.9	25.7	53.4	2.2	160.3	165.0
Health	43.3	11.9	12.0	4.6	13.2	20.0	0.9	62.6	63.8
Relief and social services	28.2	7.6	7.6	4.7	6.9	15.2	0.6	42.6	43.6
Operational services[b]	22.9	3.2	3.1	1.8	4.0	6.2	4.4	22.7	22.8
Common services[c]	22.3	2.5	3.1	1.3	4.3	4.0	27.4	42.6	45.5
Other costs	0.9	—	—	—	—	—	—	—	—
Termination indemnities[d]	—	—	—	—	—	—	—	12.1	12.1
Total General Fund	**270.7**	**73.8**	**45.3**	**23.3**	**54.1**	**98.8**	**35.5**	**342.9**	**352.8**
EMLOT[e]	2.1	—	—	—	—	—	—	—	—
Total regular budget	**272.8**	**73.8**	**45.3**	**23.3**	**54.1**	**98.8**	**35.5**	**342.9**	**352.8**

[a] According to the 1998–1999 biennial budget approved by the General Assembly in December 1995. Actual expenditure is expected to be less owing to austerity and cost reduction measures taken in response to funding shortfalls.

[b] Including supply, transport, architectural and engineering services that support all Agency programmes.

[c] Including management and administrative services that support all Agency programmes, as well as various reserves to be allocated to programmes during the budget biennium.

[d] Funds to be set aside towards payment of termination indemnities to local staff upon the eventual dissolution of the Agency.

[e] Extraordinary measures for Lebanon and the occupied territory were formally discontinued as of 31 December 1997.

Table 11
Contributions in cash and in kind by Governments and the European Community

(1 January 1997–31 December 1997)

(*Actual receipts, United States dollars*)

Source	*Total 1996 contributions*	*1997 contributions*		
		Regular budget[a]	*Projects*[b]	*Total*
Australia	2 253 250	2 037 850	431 610	2 469 460
Austria	350 000	547 500	—	547 500
Bahrain	—	30 000	—	30 000
Belgium	4 287 266	1 167 386	27 766	1 195 152
Canada	8 061 683	7 246 377	362 319	7 608 696
Chile	15 000	10 000	—	10 000
China	60 000	60 000	—	60 000
Colombia	2 428	2 500	—	2 500
Cyprus	2 310	10 000	—	10 000
Czech Republic	18 943	16 879	—	16 879
Denmark	11 514 368	7 222 275	6 385 091	13 607 366
Egypt	—	10 000	178 042	188 042
Finland	1 465 969	2 503 850	—	2 503 850
France	2 720 763	3 473 536	—	3 473 536
Germany	9 447 864	5 703 280	2 754 434	8 457 714
Greece	125 000	100 000	50 000	150 000
Holy See	20 000	20 000	—	20 000
Iceland	16 000	—	418 900	418 900
India	—	12 495	—	12 495
Indonesia	25 000	25 000	—	25 000
Iran (Islamic Republic of)	26 400	—	—	—
Ireland	1 130 713	738 425	—	738 425
Israel	28 000	28 000	—	28 000
Italy	5 798 608	4 210 926	924 757	5 135 683
Japan	22 815 605	21 200 000	7 400 000	28 600 000
Jordan	93 287	75 499	—	75 499
Kuwait	1 030 053	4 500 000	—	4 500 000
Lebanon	—	6 240	—	6 240
Luxembourg	209 594	713 427	194 055	907 482
Malaysia	10 000	20 000	—	20 000
Maldives	1 000	1 000	—	1 000
Malta	3 000	2 845	—	2 845
Mexico	3 000	3 000	—	3 000
Monaco	6 776	4 401	—	4 401
Netherlands	13 851 117	5 487 500	3 863 928	9 351 428
New Zealand	132 763	139 280	145 625	284 905
Norway	17 827 062	12 029 785	2 000 000	14 029 785
Pakistan	17 595	—	—	—

Source	Total 1996 contributions	1997 contributions		
		Regular budget[a]	Projects[b]	Total
Palestine	40 900	40 900	—	40 900
Philippines	2 000	10 000	—	10 000
Portugal	25 000	25 000	—	25 000
Republic of Korea	100 000	99 988	—	99 988
Saudi Arabia	4 633 713	3 000 000	4 596 764	7 596 764
Senegal	2 410	—	—	—
South Africa	5 000	5 000	—	5 000
Spain	3 184 429	4 122 222	—	4 122 222
Sri Lanka	—	4 053	—	4 053
Sweden	23 390 400	17 504 501	1 315 789	18 820 290
Switzerland	4 773 390	7 613 142	—	7 613 142
Syrian Arab Republic	18 549	84 390	—	84 390
Thailand	30 000	30 000	—	30 000
Trinidad and Tobago	2 502	2 393	—	2 393
Tunisia	12 793	—	—	—
Turkey	300 000	—	—	—
United Arab Emirates	1 500 000	1 000 000	—	1 000 000
United Kingdom of Great Britain and Northern Ireland	12 907 196	9 583 668	1 125 266	10 708 934
United States of America	92 256 244	75 000 000	9 689 649	84 689 649
Venezuela	—	5 809	—	5 809
Subtotal	**246 554 943**	**197 490 322**	**41 863 995**	**239 354 317**
European Community	53 898 725	54 249 316	3 320 929	57 570 245
Grand total	**300 453 668**	**251 739 638**	**45 184 924**	**296 924 562**

[a] Comprising the General Fund and extraordinary measures for Lebanon and the occupied territory.

[b] Comprising the Peace Implementation Programme, Lebanon Appeal, European Gaza Hospital project, move of Agency headquarters to the area of operations, and Expanded Programme of Assistance.

Table 12
Agency staff[a]
(On 30 June 1998)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Head-quarters*	*Total*
Area staff by programme:							
Education	4 896	1 523	2 032	2 030	3 838	53	14 372
Health	830	535	444	667	989	20	3 485
Relief and social services	122	96	77	149	323	19	786
Other	269	347	260	429	535	361	2 201
Total area staff	**6 117**	**2 501**	**2 813**	**3 275**	**5 685**	**453**	**20 844**
Total international staff	**6**	**8**	**9**	**15**	**12**	**80**	**130**
Total staff	**6 123**	**2 509**	**2 822**	**3 290**	**5 697**	**533**	**20 974**

[a] Figures represent posts on the Agency's manning table, some of which will be vacant at any given time, persons employed on contract, daily-paid or temporary assistance basis, including several hundred contract teachers, are not included.

Table 13
Staff members arrested and detained
(1 July 1997–30 June 1998)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total*
Released without charge or trial	12	—	6	15[a]	16[b]	49
Charged, tried, sentenced and/or acquitted	—	—	3[c]	—	—	3
Still in detention on 30 June 1998	1	—	3	4[d]	1[e]	9
Total	**13**	**—**	**12**	**19**	**17**	**61**

[a] Including 11 staff members detained by the Israeli authorities.

[b] Including one staff member detained by the Israeli authorities.

[c] All three were found to be innocent.

[d] Including three staff members detained by the Israeli authorities.

[e] Detained by the Israeli authorities.

Annex II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

Resolution number	*Date of adoption*	*Resolution number*	*Date of adoption*
194 (III)	11 December 1948	2964 (XXVII)	13 December 1972
212 (III)	19 November 1948	3089 A to E (XXVIII)	7 December 1972
302 (IV)	8 December 1949	3090 (XXVIII)	7 December 1973
393 (V)	2 December 1950	3330 (XXIX)	17 December 1974
513 (VI)	26 January 1952	3331 (XXIX) A to D	17 December 1974
614 (VII)	6 November 1952	3419 (XXX) A to D	8 December 1975
720 (VIII)	27 November 1953	31/15 A to E	23 November 1976
818 (IX)	4 December 1954	32/90 A to F	13 December 1977
916 (X)	3 December 1955	33/112 A to F	18 December 1978
1018 (XI)	28 February 1957	34/52 A to F	23 November 1979
1191 (XII)	12 December 1957	35/13 A to F	3 November 1980
1315 (XIII)	12 December 1958	36/146 A to H	16 December 1981
1456 (XIV)	9 December 1959	37/120 A to K	16 December 1982
1604 (XV)	21 April 1961	38/83 A to K	15 December 1983
1725 (XVI)	20 December 1961	39/99 A to K	14 December 1984
1856 (XVII)	20 December 1962	40/165 A to K	16 December 1985
1912 (XVIII)	3 December 1963	41/69 A to K	3 December 1986
2002 (XIX)	10 February 1965	42/69 A to K	2 December 1987
2052 (XX)	15 December 1965	43/57 A to J	6 December 1988
2154 (XXI)	17 November 1966	44/47 A to K	8 December 1989
2252 (ES-V)	4 July 1967	45/73 A to K	11 December 1990
2341 (XXII) A and B	19 December 1967	46/46 A to K	9 December 1991
2452 (XXIII) A to C	19 December 1968	47/69 A to K	14 December 1992
2535 (XXIV) A to C	10 December 1969	48/40 A to J	10 December 1993
2656 (XXV)	7 December 1970	49/21 B	2 December 1994
2672 (XXV) A to D	8 December 1970	49/35 A to G	9 December 1994
2728 (XXV)	15 December 1970	49/21 O	21 April 1995
2791 (XXVI)	6 December 1971	50/28 A to G	6 December 1995
2792 A to E (XXVI)	6 December 1971	51/124 to 51/130	13 December 1996
2963 A to E (XXVII)	13 December 1972	52/57 to 52/63	10 December 1997

2. **General Assembly decisions**

Decision number	*Date of adoption*
36/462	16 March 1982
48/417	10 December 1993

3. **Reports of the Commissioner-General of UNRWA**

1995: *Official Records of the General Assembly, Fiftieth Session, Supplement No. 13* and addendum (A/50/13 and Add.1)

1996: Ibid., *Fifty-first Session, Supplement No. 13* (A/51/13)

1997: Ibid., *Fifty-second Session, Supplement No. 13* and addendum (A/52/13 and Add.1)

4. **Financial reports and audited financial statements (biennial)**

1996: *Official Records of the General Assembly, Fifty-first Session, Supplement No. 5 C* (A/51/5/Add.3)

5. **Reports of the United Nations Conciliation Commission for Palestine**

1995: A/50/500

1996: A/51/439

1997: A/52/311

6. **Reports of the Working Group on the Financing of UNRWA**

1995: A/50/491

1996: A/51/509

1997: A/52/578

7. **Reports of the Secretary-General**

1995: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 49/21 B of 2 December 1994 and 49/21 O of 13 April 1995, respectively:

A/49/885 (Financing of the Palestinian Police Force).

A/50/763 (Financing of the Palestinian Police Force).

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 49/35 C, D, F and G of 9 December 1994, respectively:

A/50/451 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/50/450 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/50/428 (Revenues derived from Palestine refugees' properties).

A/50/531 (University of Jerusalem "Al-Quds" for Palestine refugees).

1996: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 50/28 C, D, F and G of 6 December 1995, respectively:

A/51/369 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/51/370 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/51/371 (Revenues derived from Palestine refugees' properties).

A/51/476 (University of Jerusalem "Al-Quds" for Palestine refugees).

1997: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 51/126, 127, 129 and 130 of 13 December 1996, respectively:

A/52/423 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/52/415 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/52/372 (Revenues derived from Palestine refugees' properties).

A/52/503 (University of Jerusalem "Al-Quds" for Palestine refugees).

8. Notes by the Secretary-General

1996: A/51/495 (Note by the Secretary-General and annexed special report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East on the financial crisis of the Agency).

98-24814 (E) 261098